Daily Report

Latin America

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Moscow Commentator Views Panamanian Situation

PY2112021689 Moscow in Spanish to Chile 2100 GMT 20 Dec 89

[Mikhail Mayorov commentary]

[Text] It happened as was to be expected, despite the [word indistinct] of the aggression that has been approaching since the beginning of the dramatic confrontation (?between) the U.S. Administration and General Manuel Antonio Noriega, who yesterday [as heard] was appointed head of the Panamanian Government.

A large-scale military operation was carried out today—a war between the strongest Western power and a small Latin American country with a population of about 2 million—a war that has been going on for several months.

The arsenal of measures used included an economic blockade, strong diplomatic pressures, and military demonstrations. The impression was that no one in Washington was frightened by the difference in weight classes, while the isthmus was being strangled by the lock applied by the gringo Rambo.

In this case, morality and politics were estranged. Despite Washington's allegation of Noriega's involvement in drug trafficking and the [words indistinct] the elections held on 7 May 1989, none of the episodes in Panamanian life can justify this action of a marked interventionist nature by the United States, if we may call things by their name.

This decision was made at the White House, based on ideas that apparently had become hopelessly obsolete.

Any observer with a little knowledge of the history of the southern U.S. neighbors could observe today a classical, straightforward style--namely, U.S. soldiers in a foreign land.

In Washington it is argued that the intervention is based on the need to protect the lives of the U.S. citizens in Panama. Does this action resemble Grenada in 1983?

It has been announced that the objective of this action is to restore the democratic process in Panama. A democracy at bayonet point and using marines?

The year 1989 had all the possibilities of going down in history as a crucial year in the implementation of a new political belief on international affairs.

The events in Panama on Christmas Eve demonstrate the fact that, in politics, past stereotypes are still strong.

In the opinion of official U.S. circles, there are countries and even entire regions in the world that have not reached the level of the new relations.

Moscow Commentator Condemns U.S. Invasion

PY2112032489 Moscow in Spanish to Latin America 2300 GMT 20 Dec 89

[Leonid Levchenko commentary]

[Text] I remember very well the events that occurred on 9 January 1964, when U.S. troops stationed in the Canal Zone attacked the peaceful student demonstrators who were trying to raise the Panamanian national flag on top of the canal administration building.

Dozen of patriots were shot without mercy, and the national flag was stepped on by the U.S. soldiers. The world was horrified by that criminal act and condemned it. The officials in the U.S. administration at that time had to agree to negotiations to review the Panama Canal treaties. The negotiations concluded in 1977 with the signing of new agreements by which Panama must recover its sovereignty over the canal by the end of this century.

However, some events indicate that Washington does not seriously plan to give the canal back to its legitimate owner in accordance with the terms established by the Torrijos-Carter treaties. I believe that this is the reason for the escalation of the Panamanian-U.S. confrontation. The confrontation is occurring at a time [words indistinct] of an economic blockade. [Words indistinct] is again resorting to brute force, which has been used many times in many Latin American countries. I can recall several events of this type, such as the 1983 event in Grenada. U.S. troops carried out the invasion by bombing Panama City just as was done 6 years ago in the capital of Grenada. In the capital of Grenada the explosions destroyed one hospital and a school.

Today several residential districts adjacent to the headquarters of the Panamanian Army were set on fire by the bombings. More and more Panamanians are being killed or wounded. Upon moving its troops into Panamanian territory, Washington announced that the operation is aimed at reestablishing democracy and legality. This is a misleading and hypocritical pretext. Never in history have invaders ever reestablished human values such as democracy and legality at the point of their bayonets. Any military intervention, from wherever it comes, represents a violation of the Panamanian national dignity, which has been the victim of foreign aggression.

News from Panama reports the anguish prevailing among the people. Expressions of condemnation have spread around the world. Time must not be lost, because the future of a people willing to defend their sovereignty is at stake. The UN Charter and the principle of international law have been violated. The attack must be stopped. It is necessary to reaffirm the principle of nonintervention in the affairs of independent states and to reestablish justice.

Group of Eight Venue Changed to Washington

PA2112004989 Madrid EFE in Spanish 2332 GMT 20 Dec 89

[Text] Bogota, 20 Dec (EFE)—It was officially reported that the Group of Eight meeting, called by the Colombian Government in Bogota today to study the Panama situation, was suspended and, simultaneously, a conference of Latin American foreign ministers was called for 22 December in Washington.

Diplomatic sources said that a meeting was called to be held in Washington on 22 December at which all Latin American foreign ministers would study an overall position on the U.S. intervention in Panama early today.

The continental summit will take place at the OAS Headquarters at Colombia's request.

On 21 December, Colombian Foreign Minister Julio Londono Paredes will go to the U.S. capital, and, from the Colombian Embassy, will continue his contacts with his Latin American colleagues for the 22 December meeting, the sources added.

At 0800 GMT, 2 hours after the attack upon and the occupation of Panama began, Foreign Minister Londono began contacts and consultations with Colombian President Virgilio Barco, the other area foreign ministers, the OAS, and the United Nations.

Colombia, "brandishing the principle of nonintervention" in an official communique by the Barco government and the Group of Eight, stated their support of the thesis of "respect for international law" and "nonintervention in the internal affairs of other peoples" at various meetings.

The Group of Eight consists of Colombia, Brazil, Uruguay, Venezuela, Argentina, Peru, and Mexico.

Panama, which was the eighth member, was excluded in February 1988 as a result of its domestic problems, a measure that was ratified in July 1989 at the group's meeting in Cartagena.

Latin America Reacts to U.S. Invasion of Panama

PA2112042989 Paris AFP in Spanish 0210 GMT 21 Dec 89

[Excerpts] Paris, 20 Dec (AFP)—The U.S. military intervention in Panama elicited varied reactions throughout the world, from strongest disapproval to mitigated, understandable condemnation.

In Cuba, tens of thousands of Cubans today demonstrated throughout the country against today's U.S. military intervention in Panama. The Cuban Government condemned the U.S. "aggression" against a Latin American country.

Thousands of people, most of them students, rallied in front of the Office for U.S. Interests in Cuba—the U.S. diplomatic office in Cuba—located in El Malecon, to repudiate the U.S. invasion and express their solidarity with the Panamanian people.

Cuban radio and television stations carried a minute-by-minute report of the events in Panama and their possible repercussions.

The president of the House of the Americas, writer Roberto Fernandez Retamar, said in a meeting: "We are willing to shed our blood for Panama" because "it is not Panama that has been attacked, but our America, the Third World, all of the goodwill of mankind.

In Nicaragua, Violeta Barrios de Chamorro "decried" the military intervention, but added that she "feels comforted by the fact that this incident enabled a freely-elected government to assume power."

In a written statement, Barrios de Chamorro said the invasion of Panama, "although grievous," should be regarded as part of the no-holds-barred struggle that the civilized world wages against drug trafficking."

In addition, thousands of people convened by the Sandinist National Liberation Front [FSLN] demonstrated this afternoon in front of the U.S. Embassy in Managua against the military invasion of Panama.

Several far-left parties demanded that the Nicaraguan Government send military aid to Panama so the armed forces of this country can resist the "criminal onslaught of the Yankee aggressor."

In Ecuador, the Latin American Human Rights Association [ALDHU] strongly repudiated the U.S. military aggression, which "violates every international standard of law."

ALDHU said that the U.S. action negates the principles of nonintervention in the internal affairs of another state and the Panamanian people's self-determination.

In addition, the Movement for Latin American and Caribbean Unity [MULAC] in Quito condemned the U.S. invasion of Panama and made a call to defend this country and the region.

Ruben Rodriguez, MULAC political coordinator, said: "We are raising a battalion, a Latin American brigade, to defend the Panamanian and Latin American peoples." [passage omitted]

In Caracas, the two leading Venezuelan parties, the ruling Democratic Action, and COPEI [Social Christian Party], supported President Carlos Andres Perez, who condemned the U.S. invasion and announced he will recognize the new government of President Guillermo Endara.

Tonight, the Venezuelan Chamber of Deputies reached an agreement condemning the U.S. "unilateral armed intervention" in Panama and demanded that "the invading forces withdraw."

In the agreement, the deputies recognize Endara as the new Panamanian president and ask the Panama Defense Forces to put themselves at Endara's service "to restore order and peace in the Panamanian territory."

The Guatemalan Government condemned the U.S. military intervention and announced that the government is holding "constant consultations" with other Latin American governments to try to find a negotiated solution to the conflict.

President Vinicio Cerezo "condemns the violent method used to seek a solution to the Panamanian problem," Julio Santos, Cerezo's adviser, told the press.

The Guatemalan Government holds relations with Panama, although Rodolfo Lobos, Guatemalan ambassador to Panama, was recalled recently. [passage omitted]

COPPPAL Condemns U.S. Actions in Panama

PA2112101789 Madrid EFE in Spanish 0847 GMT 20 Dec 89

[Text] Mexico City, 20 Dec (EFE)—The Permanent Conference of Latin American Political Parties (COPPPAL) today "most energetically condemned the armed aggression the U.S. Government has launched against Panama." The PRI holds the COPPPAL presidency for the next 2 years.

Mexico's Institutional Revolutionary Party (PRI) has sent a press communique to EFE stating that the attitude assumed by the United States "is contrary to our organization's spirit."

According to the parties that make up COPPPAL, the U.S. intervention goes against the region's interests, becasue it has taken upon itself the decision as to what government each society should have.

The communique states that "to us Latin Americans, the aggression against a brother nation is unacceptable, because it means the revival of high-handed tactics full of brutality, which had been overcome by history."

COPPPAL also demands "the immediate and unconditional" cease-fire and the withdrawal of foreign armed forces from Panama. At the same time, its calls on all multilateral forums "to direct actions toward ending the armed conflict and to contribute solutions to solve this painful episode peacefully."

Cuba

Foreign Ministry Condemns U.S. Military Action

FL2012174189 Havana Radio Rebelde Network in Spanish 1654 GMT 20 Dec 89

[Foreign Ministry Statement from the "Haciendo Radio" program; read by announcer]

[Text] What kind of peace and security can our people expect other than that which we ourselves are able to create with our own heroism? That is what the commander in chief asked himself on 7 December in paying tribute to the Cuban heroes who fell in Angola and in other parts of the world.

The people of Panama are living that bitter reality. On the evening of 19 December, U.S. President George Bush ordered U.S. troops to attack Panama, taking advantage of the location of the bases they occupy for the alleged defense of the canal. The pretext used was the same one that has been used in previous attacks against other Latin American and Caribbean people. As happened in Santo Domingo in 1965 or in Grenada in 1983, the U.S. invasion has been unleashed to reestablish democracy and order, as well as to protect U.S. lives. On this occasion, the United States added the objective of arresting General Manuel Antonio Noriega, chief of the Panama Defense Forces [FDP] who was recently designated head of government by Panama's Assembly of Corregimiento in response to the continuous aggressions of the U.S. Administration. What Washington is truly trying to do is ignore the commitments established by the 1977 treaty signed by Presidents Carter and Torrijos, which establishes the return of the territory occupied by the U.S. military bases in the canal to Panama in the year 2000, as well as the transfer of canal operations to Panama.

The United States has said, in complete irony, that it has ordered its troops to invade Panama to detain Gen. Noriega and take him to the United States to be tried by the courts. This new and incredible evidence of the contempt the United States holds for the law in general and for international law, the violation of territorial integrity and the sovereignty of the State of Panama—which has been answered with the heroic resistance of the people organized in Dignity Battalions and by the FDP, who shed their blood to resist the imperialist attack—requires the condemnation and repudiation of all those who respect peace, independence, and liberty.

After having caused destruction, fires in poor neighborhoods, and the death of dozens of innocent civilians in a vain and desperate attempt to assassinate Gen. Manuel Antonio Noriega, the United States, while it is maintaining a state of war and conducting actions of harassment, is now deploying forces in territory that is under Panamanian jurisdiction and is conducting an operation of disinformation and manipulating U.S. and world public opinion. President Bush, Defense Secretary Cheney, and the joint chiefs of staff have grossly lied in trying to present to the world the image that the legitimate Government of Panama has been defeated.

The Cuban Foreign Ministry expresses the Cuban people's and Government's strongest condemnation of this new imperialist aggression against our Latin American peoples and calls on international public opinion and on all states to express their solidarity with the people and the legitimate Government of Panama, which is leading the heroic resistance against the U.S. invaders, and to demand the immediate withdrawal of the invading U.S. troops.

Minister Says No Request From Noriega for Help

PA2112001689 Madrid EFE in Spanish 2342 GMT 20 Dec 89

[Text] Havana, 20 Dec (EFE)—Following the U.S. military intervention in Panama, General Manuel Antonio Noriega, Panamanian head of government and commander of the Panama Defense Forces [FDP], has not asked Cuba for military help or asylum.

Official sources informed EFE of this today after hearing radio reports on the matter.

A spokesperson for the Cuban Foreign Ministry said: "I have no knowledge of such a request for military aid or political asylum from Gen. Noriega."

The report that Noriega had requested military help from Cuba and Nicaragua—released today by the U.S. radio station Voice of America—has already been denied by the Nicaraguan authorities.

The possibility of Noriega requesting political asylum in Cuba or Nicaragua was suggested by the Costa Rican Foreign Ministry.

The Cuban authorities, through the Cuban Foreign Ministry, limited themselves for the time being to issuing a communique expressing their strong condemnation of the U.S. military intervention in Panama launched early this morning.

A Foreign Ministry official this morning summoned the ambassadors of all the Latin American nations accredited to Cuba to express their rejection.

Even though the information has not been officially released, EFE did learn that the Foreign Ministry official asked the Latin American ambassadors to ask their governments to condemn the U.S. offensive against Panama.

Meanwhile, in Cuba, demonstrations of support for Noriega were reported throughout the day. The biggest demonstration of support was held in front of the U.S. Interests Office in Havana where approximately 1,000 persons shouted slogans against the war action.

Meanwhile, the Cuban media today carried interviews with Cuban citizens who are offering to go to Panama to fight at the side of troops loyal to Noriega in Panama "if the commander (Cuban head of state Fidel Castro) should order it."

Interior Ministry Repudiates U.S. Action

FL2012213989 Havana Radio Rebelde Network in Spanish at 2029 GMT 20 Dec 89

[From special edition of the "Exclusivo" program]

[Text] The generals, officers, sergeants, soldiers, and civilian workers of the Interior Ministry in Havana Province strongly repudiate the vile and despicable aggression that the Yankee imperialists have led against our brother Panamanian people. They also firmly unite with the feelings of the Cuban people and reaffirm their decision to give their own blood and their own life, if necessary, for the just cause of the Panamanian people. They reiterate to the commander in chief the willingness of our combatants to fulfill any mission assigned to them. Our people will live with its socialist revolution, and they will defend it or will die for it with the last man and woman.

Army, Special Corps Reportedly on Alert

PA2112052889 Madrid EFE in Spanish 0515 GMT 21 Dec 89

[Text] Havana, 20 Dec (EFE)—According to information gathered from soldiers whose leave has been cancelled, the Cuban Army has been on alert since the invasion of Panama by U.S. soldiers.

The information could not be confirmed by official sources of the Ministry of the Revolutionary Armed Forces that, as is customary in Cuba, maintain a strict silence with regard to their activities.

The reason for the measure is obviously the military intervention by U.S. troops in Panama, since this action was "strongly condemned" today in a communique issued by the Cuban Foreign Ministry.

Other sources, also unofficial, said that the Cuban Army's special corps were placed on alert 3 days ago, which would indicate that the Cuban Government had advance knowledge of the North American intervention in Panama.

Army Readiness Evaluation Postponed Over Crisis

FL2112042689 Havana Radio Rebelde Network in Spanish 0247 GMT 21 Dec 89

[Report by Jose de Armas]

[Text] I have an urgent report here. It is a note from the Ministry of the Revolutionary Armed Forces, which reads:

Taking into account the events in the Republic of Panama resulting from the criminal aggression perpetrated by U.S. imperialism against that sister country and the aggravation of tensions in the Central American and Caribbean region, it has been decided to postpone the evaluation of readiness for defense in the first stage in the Central Army territory until January.

This is an urgent report. I believe it is important for our comrades of the Central Army to be immediately informed of this.

Panamanian Envoy Vows To Resist 'Aggression'

FL2012192789 Havana Tele-Rebelde Network in Spanish 1807 GMT 20 Dec 89

[Text] Panamanian Ambassador to Cuba Manuel Orestes Nieto de Icaza has given an interview in which he discusses the Yankee aggression against his country, the Panamanian people's response, and their decision to fight until achieving victory.

[Begin Nieto recording] We are going to resist. We have no alternative but to resist at all costs, because the preservation of our integrity as a nation, as well as our national sovereignty, is at stake here. [end recording]

Nieto stated that the U.S. aggression came as no surprise and that the escalation of the acts of provocation and threats by U.S. imperialism in recent months was indicative of the events that are taking place now. He said that the true objective of this act of aggression is to prevent the Panamanian people from exercising their national sovereignty as well as the implementation of the Torrijos-Carter agreements on the Panama Canal.

[Begin Nieto recording] I don't think we could deceive ourselves in any way as to the real contradiction existing between our nation and the overall interests of U.S. imperialism, which has established a very important geopolitical, strategic base at the center of the Americas and which is an instrument of domination and control over Latin America at large. Our people are aware that their struggle, their decision to resist aggression and coercive measures, and—beginning today—their resistance to military violence is a struggle waged not only for the sake of our country, but for the sake of all of Latin America. [end recording]

Speaks at U.S. Interest Section

FL2012215089 Havana Radio Rebelde Network in Spanish 2000 GMT 20 Dec 89

[Report by Leidys Montoya from a mobile unit outside the U.S. Interests Section in Havana during special edition of "Exclusivo" program—live]

[Text] As you just mentioned, Daniel, I have just contacted the Panamanian ambassador to Cuba, Comrade Manuel Orestes Nieto, who just spoke here outside the office of the U.S. Interests Section in Havana City. We want to hear his opinion about this great demonstration on the part of our people, who have come here spontaneously and in solidarity to express their feelings of support for the Panamanian people.

[Begin recording] [Nieto] We were working at our office in the chancery and we knew that this demonstration of repudiation was going on outside the U.S. Interests office and I wanted to be here—as I have just publicly stated—to express, in the name of our people and government, our gratitude to the Cuban people, because all day long, since early in the morning, we the Panamanian diplomatic representatives and Panamanian citizens have felt extraordinary support through the active

Cuban solidarity based on the common historical heritage that links our two peoples.

This is why I came here, and this is why I am pleased to be talking to you here.

[Montoya] It has been reported that you have expressed to the people gathered outside this office some figures about casualties, but we would like to hear exactly [words indistinct].

[Nieto] [Words indistinct] neither legal, nor moral, nor ethical justification. This was a genocidal decision, the intention to hunt specifically for General Noriega under pretexts that the world will never accept. A reasonable world can never accept these pretexts; this is a barbaric action. They deployed large military forces, they shelled the headquarters of our Armed Forces in El Chorrillo district, which is a densely populated civilian area. They did the same in the San Miguelito district, in the city of Colon, and at Paitilla domestic airport in Panama City. To put it more clearly, they implemented a selective invasion tactic against strategic military posts with the objective of capturing Gen. Noriega. They failed to achieve this because Gen. Noriega was not there. He is somewhere else. Our armed forces, in addition to the thousands of milita members, the Dignity Battalions, and the people began to organize this morning as soon as they heard the news. An important level of peoples resistance has developed.

[Montoya] This has been good experience for the Dignity Battalions.

[Nieto] Yes, the Dignity Battalions have responded to the heat of this aggression that has lasted more than 2 and ½ years, a product of the scary level of pressure, measures of coercion that you are familiar with—the law of special emergency powers that was initiated by Reagan and applied by Bush. We have every right to defend the Panamanian nation. The battalions are the concept of a people in arms. The membership is approximately 19,000 or 20,000 militia members, who, in addition to the military force of our patriotic forces, the Panamanian Defense Forces, are a modest army, a modest military contigent that, up to now, have been sufficient to stop the attack that began this morning.

[Montoya] We thank Manuel Nieto, Panamanian ambassador to Cuba, for these remarks for Radio Rebelde, direct from the tribunal that stands in front of the U.S. Interests Section on M Street and Calzada in Vedado, Havana, Cuba.

Havana Interviews Panamanian Envoy to Nicaragua

FL2112002889 Havana Radio Rebelde Network in Spanish 2351 GMT 20 Dec 89

[Interview with David Pere Ramos, Panamanian ambassador to Nicaragua, by correspondent Diosdado Maso in Nicaragua carried during special edition of "Exclusivo" program—recorded]

[Text] [Pere Ramos] You know that the United States has been violating one clause after another of the Torrijos-Carter treaty. As expressed by the [words indistinct] on 1 January 1990 a Panamanian was supposed to, or is supposed to, hold the post of administrator of the canal. When the United States saw that this date was approaching, they named [word indistinct] U.S. executive administrators to tie the hands of the Panamanian administrator and take his duties away. This is also another reason why they have wanted to change the government in Panama—to change the Torrijos-Carter treaty and remain in the country past the year 2,000. As indicated in the treaty, on 31 December 1999, the last U.S. soldier must leave Panamanian territory.

Call for Integration, Struggle Against U.S.

FL2012200989 Havana Radio Rebelde Network in Spanish 1819 GMT 20 Dec 89

[Text] Yesterday's station commentary said: It is our understanding that a plan of provocation is being implemented against Panama that could very well be the prelude to direct U.S. military intervention. The crime was committed virtually 12 hours later in plain view of the White House in Washington. Regardless of the result of these events, the drama that the brother Panamanian people are experiencing demonstrates, if it has not already been demonstrated, that the Yankee invasion against that nation is one of the most brutal acts of genocide that has occurred during the past few years.

The United States has once again revealed its contempt for the people of Latin America. Washington recognizes no other policy in relations with weak countries except the policy of force. The United States has never varied its attempt to play a tutelary role on this continent. As Cuba has reiterated, the peace that the United States talks so much about cannot be interpreted as a peace that extends to Third World countries. The U.S. invasion against a country that barely has capabilities for war is an act of barbarism. The United States feels that it can act with impunity against weaker nations, regardless of the nature of its actions. The true reason that Washington invaded Panama is that it wants to perpetuate its presence in the Panama canal zone.

If Latin American wants to survive the voracity of the empire, if it wants to shed its servitude, the road is not that of political atony [atonia] or its concealed subservience, but authentic integration and struggle.

Havana Cites Baker's Statement on Invasion

FL2012222889 Havana Radio Reloj Network in Spanish 2202 GMT 20 Dec 89

[Text] The U.S. invading troops will remain in Panama until the United States obtains its objectives in the isthmian nation. This was stated today by U.S. Secretary of State James Baker. In a news conference, Baker said that Washington's decision to intervene militarily in Panama was based on several reasons, and that the

forces will remain there until all the objectives are met. He admitted the operation could be prolonged and may not have a time limit, according to reports from the Pentagon. Baker said that several statements received at the State Department deplore and disapprove of the action, but that it was expected, he argued. He also said that allied countries and the Soviet Union had been informed after the military operations had begun. This morning, President George Bush said that, prior to the military intervention, consultations with U.S. allies and other countries had been held.

Reports on U.S. Troop Casualties, Situation

FL2012235089 Havana Radio Rebelde Network in Spanish 2223 GMT 20 Dec 89

[From special edition of the "Exclusivo" program]

[Excerpt] The number of U.S. soldiers who have died during this morning's military intervention in Panama has risen to 11 with 59 injured. Reports from Washington that were released in Panama indicate that Pentagon spokespersons have confirmed the increase of casualties among U.S. troops who continue fighting against the FDP [Panama Defense Forces]. The Pentagon has also admitted to having lost four of its planes in combat during the last few hours. Radio Nacional de Panama, which remains in a network with the rest of the local stations, has confirmed another barbaric attack in El Chorrillo where the headquarters of the FDP—which has been continuously bombed since this morning—is located. A few moments later the station reported an attack launched from a U.S. helicopter against its installations. Most of the headquarters was fired on with heavy artillery and the clashes continue in various areas of the capital even as the FDP and the Dignity Battalions maintain strategic points.

There is sporadic firing in the zones of Curundu, Chorrillo, and El Ancon, where headquarters of the transportation directorate is located. Late this afternoon in the area of the Tinejita Barracks, located in the neighborhood of San Miguelito, the local forces were resisting the U.S. attack, which has not extended to the interior areas of the country, where FDP forces maintain control of the situation. [passage omitted]

'Decisive Moment' for Latin American Unity

FL2112034089 Havana Television Service in Spanish 0100 GMT 21 Dec 89

[Commentary by Eva Luna]

[Text] When, just a few hours ago, U.S. President George Bush ordered the military invasion of Panama, he probably underestimated the consequences of this type of action. A few days earlier, the Central American presidents had met in San Jose, Costa Rica, to try to promote the peace process in the region, but at the same time the White House was already plotting a military action against another nation in the region.

For Washington, Panama undoubtedly continues to be one of its most important strategic positions in the isthmus. Naturally, this invasion constitutes the highest point of the chain of provocations that the United States started practically before the signing of the Torrijos-Carter treaty in 1977. Since then, U.S. administrations have been violating what was stipulated by Presidents Jimmy Carter and Omar Torrijos. As 31 December 1999 approaches, the date on which the canal is to be transferred to Panamanian hands, the United States increases its aggressions. Ever since June 1987, the events occur every time in a more precipitated manner. Everyone still has the images of economic sanctions imposed by Washington against that Central American nation, the occupation of Panamanian towns and installations by the U.S. military, the direct intervention in the thwarted May elections, and more so, the failed coup attempt in October of the current year fresh in their minds. Now, once again, Bush doesn't stop. In addition to the approximately 12,500 military personnel quartered in the canal zone, he sends a similar number of personnel to bomb and occupy that territory. The White House has shown once again that its campaigns promoting talks and peaceful solutions are not real. For the underdeveloped nations, there is only one reality: The defense of the sovereignty and integrity of each country must be done by each of its peoples. Thus, this is a decisive moment for Latin American unity and for all Third World countries.

Envoy to Panama on Fighting, Embassy Situation

FL2012235489 Havana Radio Rebelde Network in Spanish 2223 GMT 20 Dec 89

[Interview by telephone from Panama City with Ambassador to Panama Lazaro Mora by journalist Pedro Rojas during special edition of the "Exclusivo" program—live]

[Text] [Mora] There was fierce fighting today in various points of the city. Fighting resumed early this morning in the El Chorrillo area, where the headquarters of the Panama Defense Forces [FDP] is located. The FDP headquarters was bombed last night by the U.S. forces and this action left very heavy casualties among the poor residents of that district, because many of the houses in that area were built at the time the Panama Canal was built. These are wooden houses of two or three floors, and there are virtually 20 or 30 families living in each house. Many of these houses were either destroyed by fire or by mortar shells.

Fighting continued today in that area. The Americans have sealed off the area; that is, they have blocked accesses to that area. Shots can be heard time and again in that area.

Fierce fighting also took place in San Miguelito, which is one of the most densely populated areas of the capital. These fights, however, occurred in peripheral areas of this district because the U.S. forces have not yet been able to enter the San Miguelito district, where both FDP and the Dignity Battalion forces keep a high combative

spirit. The Americans are primarily using the tactics of machine-gunning or launching rockets from helicopters, and using artillery fire, to expose their men as little as possible. This tactic causes, however, disproportionately heavier damage to the civilian population.

In some places, like El Chorrillo, the Americans did not even allow the Red Cross to rescue the wounded or to retrieve the dead. Thus, the initial casualty toll released this morning, that is, 50 dead, covers only those accounted for at the Santo Tomas Hospital. There are many more casualties who could not be buried or retrieved from the scene of the battle.

Furthermore, we have noticed that the combative spirit of the Panamanian people has strengthened throughout the day and that they continue to prepare and organize to resist the invaders.

In any case, even though fighting continues in the San Miguelito district and in Parque Lefevre—where the Cavalry Squadron is based— the intensity of the fighting has declined. It is expected that the hostilities will intensify again by nightfall because the Americans continued today to increase the amount of men and materiel coming from the U.S. mainland.

Obviously, the action ordered by the Bush administration did not go according to plan, that is, they sought to carry out a punhishment operation, a kidnapping operation, but they have run against an FDP force and against a people who are tenaciously resisting, despite being at a tremendous disadvantage as far as firepower, arms, and training is concerned. Patriotic feelings can, however, compensate for these shortcomings.

[Rojas] Comrade Ambassador, according to news agency reports, the Cuban Embassy has not yet been affected by the U.S. military aggression against Panama. What can you tell us in this regard?

[Mora] No. Some shootings occurred in not-too-distant areas, but not in the immediate vicinity of the Cuban Embassy. The Cuban mission personnel are well and our comrades over there should know that we have a very high morale while fulfilling our mission and we are certain that we will measure up to the standards expected from representatives of the revolutionary people of Cuba.

Protest Continues at U.S. Interests Section

FL2112042189 Havana Television Service in Spanish 0100 GMT 21 Dec 89

[Text] [Video shows reporter at rally] Yankees, assassins, hands out of Panama! Panama, friend, the people are with you! Tens of slogans such as the ones I have mentioned have been said here on Calzada and M Streets in Vedado, right in front of the U.S. Interests Section office in our capital. Hundreds of thousands of Cubans who reside in Havana, as well as those who are [originally] from Havana, have marched since early this morning through this zone, this area, which you are currently seeing live and direct via the Cuban news television services.

They are talking about and condemning the U.S. intervention, and the intervention of its troops, in Panama. At this moment, there are hundreds of persons ratifying the internationalism with which our people condemn the invasion and are ready to give whatever is necessary to contribute to the heroic struggle of the Panamanian people. The microphones and the cameras of Cuban television, as they have done during this news broadcast of the National Television News, will continue until midnight carrying live and direct news from this zone, as well as from many other areas of our country where these demonstrations of solidarity are taking place.

Barbados

Prime Minister Urges Withdrawal of U.S. Forces

FL2012234989 Bridgetown CANA in English 2309 GMT 20 Dec 89

[Text] Bridgetown, Barbados, Dec 20, CANA— Barbados Prime Minister Erskine Sandiford, calling for an end to violence and bloodshed in Panama, on Wednesday [20 December] urged the withdrawal of United States forces and a peaceful dialogue to end the crisis.

"My government stands ready to cooperate fully with other regional governments in pursuing all appropriate peaceful means to facilitate the full restoration of stability and of the democratic rights of the people of [words indistinct] of the Panama Canal treaties and with peaceful negotiation," Sandiford said.

"I also expressed at the time the concern of the Government and people of Barbados that any deterioration of the situation in Panama could lead to an escalation of tensions in the region, with the gravest consequences for the peace and security of the hemisphere.

"My worst fears have come true. The U.S., feeling provoked ... intervened militarily in Panama." Sandiford said he had strong reservations about the use of armed force and very much regretted the circumstances which led to its use on this occasion.

Recommitting Barbados to the peace initiative undertaken by the Organisation of American States, the prime minister said peace, security and justice in the region "can best be advanced by dialogue and consultation in an atmosphere of mutual respect."

Dominican Republic

Santo Domingo Comments on Panama Situation

FL2012155089 Santo Domingo Radio-Television Dominicana TV Network in Spanish 1515 GMT 20 Dec 89

["El Mundo al Dia" commentary]

[Text] Reports carried early this morning indicated that the United States of America has directly intervened with its Armed Forces in the Republic of Panama with the exclusive purpose of defending the safety of the canal that operates in that brother country and, at the same time, of overthrowing General Noriega's regime.

The Panamanian conflict is an old one and has been a serious headache for the U.S. superpower. At the same time, Panama has become a center of political and military tension in the heated Central American area.

Gen Noriega's anti-U.S. attitudes and the wave of rumors that link him with subversive activities have precipitated a number of events inside and outside Panama which are decisive enough to generate the actions announced now.

In any event, military intervention is something that is rejected in principle. At the same time, it is extremely harmful to the nonintervention rule which is basic in inter-American relations.

The Dominican Republic was victim of that type of action and this is remembered. It forces us to solidarize ourselves with the Panamanian people. Therefore, in light of the news being received, let's adopt an attitude of rejection of military intervention. We urge the countries in the hemisphere, and especially the United States of America, to work together so that Panama can make its way to a democratic regime that guarantees the freedom of that country, respect human rights, and even more, respect the sovereignty of that sister nation.

Let's hope that Panama can solve its problems on its own and that military intervention comes to an end.

Reports of Noriega Heading for Colombia Denied

FL2012171789 Santo Domingo Radio-Television Dominicana Radio Network in Spanish 1617 GMT 20 Dec 89

[Text] In Bogota, an airport control tower official of the Colombian island of San Andres emphatically denied today that a plane had landed there carrying General Manuel Antonio Noriega, chief of the Panama Defense Forces. The source said over the phone from the Caribbean island to a Bogota radio station that the San Andres airport is closed and noted that, because of this, no aircraft can land there. News reports had stated that, after the U.S. attack on Panama, Gen Noriega had evaded the siege and boarded a plane bound for Colombia.

Grenada

Prime Minister Jones Announces Mourning Period

FL2012153789 Bridgetown CANA in English 1458 GMT 20 Dec 89

[Text] St. George's, Grenada, Dec 20, CANA—Grenada's new Prime Minister Ben Jones on Tuesday night announced a 5 day period of mourning for his predecessor Herbert Blaize, who died on Tuesday.

Jones, 65, said in a radio address that the period of mourning will end on Saturday, when Blaize will be buried, a day earlier than previously stated. Jones said that all government-sponsored social events have been cancelled, and that all flags on state buildings will be flown as half-mast. "It is expected that all other concerns on which flags are flown would join in this mark of respect," Jones said.

Blaize died at the age of 71 at his official residence at Mount Royal, but the cause of death has not been disclosed. Blaize, who had been suffering from a prostate gland disorder, will be buried in his native Carricaou, which he represented in Parliament for three decades. Government has appointed a committee headed by Education Minister George McGuire to plan a memorial service on Friday and the burial.

Jones said Grenadians wishing to pay their last respects to Blaize, the island's first chief minister, will be given an opportunity to do so on Friday, when the body will lie in state for 6 hours at Parliament Building in the capital. He said all uniformed officers would be wearing black arm bands as a mark of respect, and the state-owned media would "play religious and other appropriate music during the period of mourning."

"The churches would be asked to observe a minute of silence during their services," he added. Jones described Blaize as "an able and distinquished statesman and leader." "We all would miss his sober and profound advice and judgement particularly at this time in our history," he added.

He appealed to Grenadians to ensure "that the peace and stability and prosperity that we now enjoy would remain undisturbed" and urged their support in carrying out his new role. "It is my hope, therefore, that the people of this country would recognize that the business of the nation must go on... I call on the parliamentary opposition and everyone in our nation to join with me to ensure that in the interim, this country would continue to enjoy, peace and stability," he said.

Jones, like his late predecessor is in control of a minority administration. His National Party (TNP) controls 5 of the 15 seats in Parliament. Under the Constitution, Parliament must be dissolved by December 29 to pave the way for general election within a 90 day period.

Jones said that there would be no deviation from the policies and programmes of his predecessor, who refused

to bow to opposition demands for an early general election. Jones, a quiet, soft-spoken lawyer, served Blaize as minister of external affairs, agriculture, lands, fisheries and tourism.

Haiti

Government Moderately Condemns Intervention

FL2112154789 Port-au-Prince Radio Metropole in French 0945 GMT 21 Dec 89

[Excerpts] [passage omitted] The military government says in a communique that it is disappointed that diplomatic bargaining failed to bring about an amicable solution to the conflict between the governments of Panama and the United States. The Haitian Government condemns, in a moderate manner, the U.S. intervention in Panama.

[Begin unidentified speaker recording] The Haitian Government, wedded to the principle of nonintervention in other countries' affairs, supported all the initiatives within the framework of the OAS aimed at reaching a peaceful negotiated solution in keeping with the profound aspirations of the Panamanian people.

The Haitian Government was particularly disappointed by the failure of the negotiations aimed at reaching a national agreement permitting a transfer of power after the annulling of the 7 May 1989 elections.

The Haitian Government has noted with concern the recent unfortunate incidents in Panama City. Nevertheless, the Haitian Government keenly regrets the U.S. Government's military intervention in Panama in violation of the sacred principles of international law. The Haitian Government, therefore, faithful to its policy of noninterference in the internal affairs of other countries and within the framework of respect for hemispheric solidarity, hopes that the sister nations of the OAS will do everything possible to see that the Panamanian people recover, as soon as possible, the right to freely determine their fate.

Last, the Haitian Government extends its condolences to the families of all the victims of this unfortunate conflict.

Port-au-Prince, 20 December 1989, Directorate of Information. [end recording]

The Haitian Government says it has instructed the Haitian Embassy in Panama to take measures to provide protection for Haitians stranded in Panama by the U.S. military intervention.

[Begin unidentified speaker recording] The Directorate of Information, Ministry of Information, Culture, and Coordination [ministry name as heard] announces that the honorary Haitian Consul in Panama City has received instructions from the Ministry of Foreign Affairs of the Republic of Haiti to ensure the protection of Haitian nationals in Panamanian territory.

Port-au-Prince, 20 December 1989, Directorate of Information. [end recording] [passage omitted]

PUCH's Theodore 'Condemns' Panama Invasion

FL2012210989 Port-au-Prince Radio Metropole in Creole 1500 GMT 20 Dec 89

[Text] [Announcer] Rene Theodore, secretary general of the Unified Party of Haitian Communists [PUCH] condemns the U.S. invasion of Panama.

[Begin Theodore recording] This act of aggression is causing bloodshed among the Panamanian people and carrying destruction to Panama's main towns. It goes against the principles of nonintervention and the guaranteed security for all peoples as accorded by international law. The U.S. Government's claim to the right to invade any country and get rid of that country's president and put in a president of its choice is a heavy-handed position that no people should tolerate from any foreign country.

Furthermore, this American act of aggression was committed today, 20 December. Under the terms of the agreement signed by U.S. President Jimmy Carter and Panamanian President Omar Torrijos, the administration of the Panama Canal was to be turned over to the Panamanians on 31 December 1989.

The U.S. military aggression shows clearly that the real reason the Americans launched this war against the Panamanian Government and people was to violate the canal agreement. The United States wants to continue to have the right to appoint a canal administrator from among its own people in Panama, so that it can keep the Panama Canal's great wealth under its control.

The United States, which in all negotiations on Central America always asks other countries not to furnish military aid to any belligerants in the region, has no moral right to intervene militarily to try to maintain an advantage over weaker countries.

For all these reasons, the PUCH most firmly condemns the U.S. invasion of Panama. This kind of act imperils the sovereignty of all peoples in the area. The Haitian people must continue to gather up their pride and be in solidarity with the sovereign people of Panama, as a way to guarantee Haiti's own sovereignty against all imperialist pretensions. [end recording]

President Avril Addresses New Cabinet 19 Dec

FL2012220989 Port-au-Prince L'UNION in French No. 270, 20 Dec 89 p 12

[Speech by Lieutenant General Prosper Avril, president of the military government, delivered at National Palace on 19 December]

[Text] Ladies and gentlemen, receiving you this morning at the National Palace to establish you in office as the new Cabinet, I cannot help recalling that frantic morning

in September of 1988 when I expressed to the first members of my government the choice we would make: To serve the fatherland, reestablish social peace, and simultaneously consolidate our institutions and democratize.

Many trials and difficulties awaited us, trials and difficulties over which we have had to triumph. I really must, therefore, thank and congratulate the citizens who, amidst the uncertainty of the first days of my government, agreed to take the risk of heading a ministry to serve the national cause. Sacrificing their repose and relegating their professional careers to second place, they were, at my side, the artisans of a steadfast effort toward progress and national development. Through this gift of themselves to the common cause in particularly difficult times, they acquired for themselves the right to the gratitude of all.

Madame minister, gentlemen ministers: The profound crisis affecting our society and shaking the foundations of our institutions negatively influences the behavior of our fellow citizens, which often borders on intolerance, which is the enemy of democracy. An atmosphere of confusion skillfully maintained by the forces hostile to change has been created in Haiti.

The stakes are high. We must, while in the midst of this crisis, succeed in providing the opportunity for the aspirations of the different sectors of the national life to be expressed, to confront one another, and, if possible, to tone in [de s'harmoniser]. The government and the public services must assume the traditional role of directors of republican values, defenders of the general interest, and promotors of economic and social progress.

By being willing to share this great responsibility with me, you provide proof of courage, abnegation, and patriotism. The homeless, the hungry, and those who are struggling and who believe in a better tomorrow expect a great deal from you. You must listen actively to the citizens, who are demanding an in depth revival in the way the government functions and in its management methods. It is up to you to work to heighten the dignity of those who serve the state, mobilize the civil servants, and reinforce dialogue, while at the same time upholding the government's authority.

The year now ending has been a year of ordeals, a year that has seen the nation at the brink of the abyss. The coming year must see the nation's stability reestablished—its economic and financial stability, essential conditions for relaunching the nation along the path of development. After the electoral calendar is published, 1990 will be a year of political debates and election fever. The chief of state, therefore, expects to head an administration that places itself above struggles between parties or clans. This government will thus be characterized by its neutrality in the coming electoral debates and by its commitment to realizing a successful transition to democracy, in keeping with the choices expressed freely by the population exercising its sovereignty.

This year must also be a year in which the great majority of the population is able to obtain work and food to eat. The administration must, therefore, be dynamic and succeed in establishing conditions propitious to the investments that will create jobs and income for the Haitian people. Through dialogue, persuasion, competence, and devotion, we must convince our natural allies, this country's businessmen—so we can achieve this partnership of the government, the private sector, and the unions that can alone ensure that the nation will be saved.

Let us get to work without further delay. The Haitian people expect much of us. May God help us make decisions that are for the greater good of the common fatherland.

Prosper Avril, Lieutenant General, Haitian Armed Forces, President.

Jamaica

Government Assessing Situation in Panama

FL2012230589 Bridgetown CANA in English 2214 GMT 20 Dec 89

[Text] Kingston, Jamaica, Dec 20, CANA— The Jamaican Government is "in the process of assessing the full implications of the current situation in Panama," Foreign Affairs Minister Senator David Coore said on Wednesday [20 December]. In a statement following the U.S. military strike in Panama, Coore said that a special meeting of the Jamaican Cabinet will be held on Thursday after which a full statement will be issued.

He said that the government has been in consultation with a number of governments in the region, particularly its Caricom partners "with whom we have always sought to act in concert in respect of the crisis that has developed in Panama since May of this year." He also reported that Jamaican nationals stranded in Panama are not in any danger "at this time" but the government was maintaining close communication with the Jamaican Consul in that country on the matter.

Earlier this year, Prime Minister Michael Manley told his annual People's National Party conference that he was opposed to any military intervention to solve the political crisis in Panama. "Let me make it clear that as far as this movement is concerned, if we regard a principle as sacred above all others in politics it is the right of a people to choose the government that they want," Manley said then.

He also said then that his government would not support any attempt to interfere with the Panama Canal Treaty under which the canal reverts to Panamanian control in 1999. In September, the Jamaican Government withdrew its recognition of the Noreiga government after Noriega installed a puppet government on September 1.

The Communist Workers Party of Jamaica [WPJ] has condemned the U.S. military action. WPJ General Secretary Trevor Munroe, in a statement, said that he and his party "unequivocally deplore and condemn" the strike. "For me as well as for the WPJ self-determination of nations and non-intervention in the political processes of sovereign states are not matters of expediency but rather of fundamental principle," the WPJ said.

St. Vincent and the Grenadines

Prime Minister James Mitchell on Panama Situation

FL2012222789 Bridgetown CANA in English 2201 GMT 20 Dec 89

[Text] Kingstown, St. Vincent, Dec 20, CANA—St. Vincent and the Grenadines' Prime Minister James Mitchell said on Wednesday he was quite disconcerted about the U.S. intervention in Panama and was consulting with other governments in the region for a common Caribbean position on the matter.

Mitchell disclosed that he had already been in touch with the governments of St. Lucia, Grenada, Barbados, Guyana, and Jamaica, as well as, the government of Carlos Andres Perez in Venezuela.

"As soon as we have a co-ordinated position in the Caribbean, we would be making a further statement," Mitchell said.

Trinidad and Tobago

Government Sets Deadline for Telecom Merger

FL2112170389 Bridgetown CANA in English 1437 GMT 21 Dec 89

[Text] Port of Spain, Trinidad, Dec 21, CANA— The Trinidad and Tobago Government has set a 1991 deadline for the merger of its internal and external telecommunications systems with foreign partner Cable and Wireless.

The British multi-national, which already holds 49 percent of shares in External Telecommunications Company, Textel, on Wednesday signed a shareholders' agreement for a new issue of shares by phone company, Telco. Cable and Wireless paid U.S. 85 million dollars for the Telco shares. The money is to be used to service Telco's foreign debt—one of the single largest amongst the country's state sector.

At the same time, government announced the formation of a new Telco board, headed by the current chairman of Textel, attorney Karl Hudson-Phillips. Under the new partnership arrangement, four board members would be appointed by the Trinidad and Tobago Government and four by Cable and Wireless, including the chief executive officer.

The two separate companies have been mandated to merge no later than January 1, 1991. The signing of the agreement ends 2 years of negotiation for a foreign partner for Telco.

Taiwanese, Japanese Propose Fisheries Purchase

FL2012201389 Bridgetown CANA in English 1926 GMT 20 Dec 89

[Text] Port of Spain, Trinidad, Dec 20, CANA— A Trinidadian company has teamed up with Taiwanese and Japanese companies to make a bid for the state-owned National Fisheries Company (NFC). The local bidders announced their proposals to buy the ailing company and upgrade facilities and turn it into a venture which would process shrimp, salt fish, tuna, and other fish.

NFC, whose operations are under investigation by government, would undergo a TT 8.5 million dollar (one TT dollar=23.5 U.S. cents) refurbishing and improvement programme under the new company, Fisheries International Seafood Handlers Limited (FISHL) if it is allowed to lease NFC from government. The new company is a joint venture between local company, Trans Caribbean Fisheries Limited (51 per cent equity), and Kwo-Jeng Trading Company of Taiwan and Mitsubishi International of Japan (jointly 40 per cent equity).

The new company, whose foreign partners already have markets in North America, Japan and the Far East, would process fish coming from local fishermen, trawler operators, and the Kwo-Jeng fleet, owners said. The bidders said that their plans for the port side company would include reviving the dormant NFC salted fish and fish meal plants at a cost of 2.5 million dollars, addition of a 7 million dollar cannery, a 2.5 million dollar refurbishing of the ice plant, and the building of a 2.5 million dollar port and pier for fishermen to use. Company officials told reporters they would specialise in tuna and would not jeopardise local fishing grounds or use destructive methods of fishing.

A Venezuelan company is reportedly also one of the bidders for the state company with an offer suggesting use of fish brought in by both Venezuelan and Trinidadian fishermen who have often fought over use of shared waters.

Bush, Salinas Hold 'Respectful' Conversation

FL2012175489 Mexico City NOTIMEX in Spanish 1732 GMT 20 Dec 89

[Text] Mexico City, 20 Dec (NOTIMEX)—U.S. President George Bush talked early this morning with Mexican President Carlos Salinas de Gortari on the course of developments in Panama. Mexican sources said the conversation between Bush and Salinas de Gortari was held in a respectful tone. The sources did not give details of the conversation held by the two presidents.

Government Issues Communique on Panama Conflict

FL2012223189 Mexico City Red Nacional 13 Imevision Television in Spanish 2130 GMT 20 Dec 89

[Text] The Presidency of the Republic this morning released an official communique stating the Mexican Government's position regarding the Panama conflict. The communique states:

Los Pinos, 20 December 1989.

The Mexican Government hereby firmly condemns the use of armed forces as a measure to solve any international conflict, and even more to attempt to solve the domestic problems of one country from another. These actions go against our historical principles.

Therefore, in the face of the events that occurred early this morning in Panama and the armed intervention by U.S. forces, the Mexican Government reaffirms its position to the effect that the use of force by any state against the sovereignty of another state constitutes an intervention and goes against the principles ruling international relations.

Since the beginning of the Panamanian crisis, Mexico has promoted a solution through diplomatic means within the framework of the OAS. At the appropriate time, the Mexican Government publicly censured Manuel Antonio Noriega's behavior and reiterated the need to radically deal with the drug trade. The fight against international crimes, however, cannot be a reason to intervene in a sovereign nation. Therefore, Mexico has expressed its disagreement with the U.S. Government decision to intervene militarily.

In Mexico's opinion, dialogue and concerted actions should continue to be the best option for a peaceful outcome of the situation. The crisis in Panama must be resolved only by the Panamanian people themselves.

The Mexican Government fully endorses the principles of self-determination, nonintervention, and the Estrada Doctrine, and makes a call for the immediate cessation of hostilities. It also supports the urgent consideration of the case by the OAS and by the UN Security Council.

Chamber of Deputies Condemns U.S. Action

PA2112081889 Madrid EFE in Spanish 0342 GMT 21 Dec 89

[Text] Mexico City, 20 Dec (EFE)—The Mexican Chamber of Deputies today condemned the U.S. intervention in Panama on the grounds that it violates the self-determination of the people and runs contrary to the principles that govern the conduct of nations.

Mexican Deputy Gonzalo Martinez Corbala said: "The use of force by any state against the sovereignty of another is intervention and runs contrary to the principles that should govern conduct among nations.

"Democracy is neither exported nor imported; it is always the product of the free decision of all people," Martinez said. Martinez Corbala is a member of the ruling Institutional Revolutionary Party, as well as a former Mexican ambassador to Chile—during the Salvador Allende administration—and to Cuba.

He added that Mexico's policy in international affairs is one of respect for the self-determination of the people. In the case of Panama, he reiterated that the Torrijos-Carter treaties should be respected and should be fully valid and enforced.

PRI Rejects U.S. Intervention in Panama

PA2112082489 Madrid EFE in Spanish 0321 GMT 21 Dec 89

[Text] Mexico City, 20 Dec (EFE)— The ruling Institutional Revolutionary Party (PRI) today "emphatically rejected the U.S. Government's armed intervention" in Panama.

In a press release, the PRI called for an immediate end to hostilities and the establishment of mechanisms of agreement to achieve a peaceful, negotiated solution to the conflict, without violating Panama's right to independence and sovereignty.

Similarly, the PRI, which has been in power since 1929, stated that any attempt to impose democracy from abroad is unacceptable.

"Paradoxically, these actions affect the very bases of democracy and run contrary to the spirit of detente and the political agreements reached among the people of the civilized world," it stated.

The PRI also reiterated its rejection of this mode of resolving problems, especially when the prevalence of the force of arms over the force of reason leads to the death of innocent people uninvolved in the conflict.

The PRI also "equally censures the abuse of power by Manuel Antonio Noriega, whose autocracy is a threat to the Panamanian people's democratic aspirations."

U.S. Embassy Guarded; Panama Flights Suspended

PA2112043389 Madrid EFE in Spanish 0322 GMT 21 Dec 89

[Text] Mexico City, 20 Dec (EFE)—A spokesperson for the Mexico City police today announced that the U.S. Embassy in Mexico City is strongly guarded by the Mexican police. He added that security was stepped up to prevent protest demonstrations against the U.S. intervention in Panama. This morning a group of approximately 24 persons began a sit-in across from the embassy.

Meanwhile, the office of the manager of the Mexico City International Airport has announced that all flights to or from Panama have been suspended.

The office added that air communications between Mexico and Panama will not be resumed until further notice. Currently, there are two direct flights between Mexico City and Panama City—Air Panama and Avensa (Venezuelan Airlines).

The airport spokesperson justified this decision by stating that the General Omar Torrijos International Airport was bombed and occupied by U.S. soldiers, who have stopped all air traffic.

Meanwhile, Air Panama's general manager has reported that there is no communication with Panama and that all he knows is that the Panamanian airport has been closed.

Costa Rica

Reports on Noriega Location, Asylum Request

Said Close to Border

PA2012202889 Panama City ACAN in Spanish 2008 GMT 20 Dec 89

[Text] San Jose, 20 Dec (ACAN - EFE)—An official Costa Rican Government source said today that Panamanian head of government, General Manuel Antonio Noriega, is "very close" to the Costa Rican border.

Costa Rican Security Minister Hernan Garron said: "According to information that we have received, Noriega is in Panama, very close to the border," and it is considered possible that he might request permission to enter this country.

Reports in Panama state that Noriega is personally directing the operations of the Panama Defense Forces, which he heads, to counter the U.S. military invasion launched early this morning with the intention of detaining him for his alleged links to drug trafficking and to "restore democracy" in Panama.

Garron said that a Noriega request to enter Costa Rica would have to be studied by the Costa Rican Foreign Ministry before any decision is made. Therefore, he would not be allowed entry until a pronouncement to this effect is made.

Unofficial reports circulating in San Jose insist that Noriega may request permission to enter Costa Rica, from where he could seek political asylum in Nicaragua or Cuba.

By constitutional provision, Costa Rica grants asylum to foreigners being persecuted by a government.

Reportedly Seeking Passage

PA2112021889 Paris AFP in Spanish 0144 GMT 21 Dec 89

[Text] Paso Canoas, Costa Rica, 20 Dec (AFP)—General Manuel Antonio Noriega, whose whereabouts are unknown following a U.S. invasion of Panama launched on 19 December, has reportedly requested permission to enter Costa Rica, according to insistent rumors circulating in official circles at the Paso Canoas border post.

According to these reports, Noriega is at a farm he owns on the Costa Rican border, from which he reportedly contacted Costa Rican authorities.

Meanwhile, the Costa Rican Government today sent several contingents of civil guardsmen armed with M-16 rifles to reinforce vigilance in the border area through which hundreds of Panamanians fleeing the political emergency that prevails in their country crossed into Costa Rica today.

The National Emergency Directorate announced broad mobilization and established large-scale deployment of troops to cope with possible emergencies generated by the confusion and chaos in Panama in the wake of the U.S. invasion.

Finally, about 20 reporters from various countries went to Paso Canoas this morning to attempt to cross into Panama by land, in view of the suspension of all flights to that nation.

However, Panamanian customs authorities have so far denied entry to foreign correspondents.

Government Issues Official Statement on Panama

PA2012232589 Hamburg DPA in Spanish 2139 GMT 20 Dec 89

[Text] San Jose, 20 Dec (DPA) - The Costa Rican Government issued a statement this afternoon on the Panama incidents, expressing its "serious concern over the events that transpired" and "deploring the use of force to overcome the Panamanian crisis."

The government said "this crisis was originated by the despotic regime of Manuel Antonio Noriega and by his constant violation of human rights, especially to civilians and politicians of the people of Panama, and also for violating rules of international coexistence." The official statement says that "Costa Rica has led the struggle for negotiations on Panama, expecting peace to return to that country."

The statement concludes "we expect that a democratic government will soon be established in Panama, a government which respects the highest moral and representative values and our commitment to national reconciliation."

El Salvador

Government Expresses Support for Endara Presidency

PA2012194289 Panama City ACAN in Spanish 1817 GMT 20 Dec 89

[Text] San Salvador, 20 Dec (ACAN-EFE)—The Salvadoran Government said today that General Manuel Antonio Noriega's possible fall from power in Panama would be beneficial for El Salvador, because the Salvadoran guerrillas "would have one less source of aid."

Salvadoran Government spokesman Mauricio Sandoval said: "Gen. Noriega is known to have been supporting the Farabundo Marti National Liberation Front." Sandoval admitted that President Alfredo Cristiani might recognize Guillermo Endara, who today was sworn in as president of Panama on a U.S. military base located on the banks of the canal.

Sandoval said: "I see no reason to reject" Endara's presidency. He emphasized that the Panamanian opposition leader was democratically elected in the 7 May

elections, which were subsequently annulled by the Panamanian Electoral Tribunal.

The Salvadoran spokesman expressed regret that the United States has "resorted to force to remove Noriega from power and establish democracy in Panama, but El Salvador supports all actions in favor of democracy in the world."

The U.S. Southern Command intervened in the Panamanian capital early this morning and shelled the main Defense Force installations in an operation designed to capture Noriega. The operation has left several dozen dead and wounded among military personnel and civilians on both sides.

Foreign Ministry Supports U.S. in Panama Effort

PA2112045589 Panama City ACAN in Spanish 0212 GMT 21 Dec 89

[Text] San Salvador, 20 Dec (ACAN-EFE)—In a communique released by the Salvadoran Foreign Ministry, El Salvador today justified U.S. military intervention in Panama because it "supports the government legitimately elected by the Panamanian people."

According to the note, the international community backed the election of Guillermo Endara, who won the May elections and who was sworn in today as president at one of the U.S. military bases in Panama.

The Salvadoran Foreign Ministry decried "the extremes that the Panamanian situation reached and hopes that normalcy can be restored as soon as possible" in the country so the Panamanian people "can shape their own destiny by freely exercising their sovereignty."

U.S. troops and Panama Defense Forces members are still fighting each other in various places around the country nearly 24 hours after the U.S. invasion started the night of 19 December.

The government of President Alfredo Cristiani justified its position, asserting that the government of Manuel Antonio Noriega "exists as a result of force rather than the free expression of the Panamanian people" after Noriega annulled the elections in which Endara was the winner, according to the opposition.

Cristiani added that Noriega "openly provoked the United States" and that the Panamanian Government "had become a threat against Central America because of its connection with countries that openly support the area's destabilization."

FMLN Views Invasion as 'Death Blow' to Peace

PA2112014589 (Clandestine) Radio Venceremos in Spanish to El Salvador 0019 GMT 21 Dec 89

[Communique by the Farabundo Marti National Liberation Front, FMLN, General Command issued in El Salvador on 20 December]

[Text] The FMLN General Command announces this to the Salvadoran people and the people of the world:

1. The FMLN condemns the criminal and treacherous invasion of the friendly people of Panama by U.S. troops. This terrorist invasion deals a death blow to the deteriorating pacification process in Central America and constitutes U.S. Government aggression against the sovereignty, independence, and self-determination of the people. The unreasonable military invasion of Panama is an outrage perpetrated against the world's conscience precisely at a time when historic processes are underway to find a political solution to the conflicts. The invasion is a large-scale act of international terrorism, which demonstrates the Bush administration's cynicism and confirms, once again, that we cannot naively expect the U.S. Government to comply with its commitments with countries it still considers its backyard.

2. The FMLN expresses its complete combative solidarity with the friendly Salvadoran [as heard] people, General Noriega, the Dignity Battalions, and the Panama Defense Forces. We assert to them that they are not alone in their struggle. In El Salvador, thousands of us patriots are also fighting and defeating the puppet army and the imperialist policy.

3. We are calling on all our leaders and men to increase the struggle and carry out our offensive to the end in defense of the sovereignty of El Salvador, Central America, and Latin America. This invasion reaffirms the legality of the FMLN's armed struggle and confirms the illegality of Alfredo Cristiani's fascist regime, which bombs the civilian population and kills priests with a state terrorism policy that agrees with that of its northern sponsor.

4. We call on the people of Latin America to express their firm solidarity with Panama and utilize all forms of fighting to defeat the imperialist policy. The sovereignty and independence of the entire continent are at stake.

5. We urge Oscar Arias, who is one of the signatories of regional pacification accords, to condemn the U.S. aggression against Panama and stop lending Costa Rican territory to be used as a political platform for aggression. Events demonstrate the injustice of the condemnation passed on the FMLN and the absurd support of Cristiani's fascist government, which was moved by Arias at the Coronado, Costa Rica meeting.

6. We appeal to the people of the United States to stop the warmongering adventure of the Bush administration, which is imposing a new Vietnam on the U.S. people, not far from the U.S. border, where young Americans are already dying. The homeland of Gen Omar Torrijos will never be a Yankee colony.

[Signed] The FMLN General Command; Commanders Joaquin Villalobos, Salvador Sanchez, Jorge Shafik Handal, Eduardo Sancho, Francisco Jovell.

Heavy Fighting Reported West of San Salvador

PA2112045889 Paris AFP in Spanish 0407 GMT 21 Dec 89

[Text] San Salvador, 20 Dec (AFP)—Military and civilian sources have confirmed that heavy fighting between rebels and soldiers broke out this evening in Ciudad Merliot, an area west of San Salvador.

The fighting began at 1830 when Farabundo Marti National Liberation Front [FMLN] columns entered Ciudad Merliot, a middle class neighborhood located approximately 12 km southwest of San Salvador.

According to police sources, the fighting was reported in the areas of Jardines de La Hacienda and Jardines del Volcan, where the government troops are using air support. The helicopters fired rockets against supposed rebel positions.

The shooting could be heard in downtown San Salvador. Meanwhile, residents of the affected areas told local radio stations that there was heavy shooting.

The armed actions are taking place within the framework of an offensive launched by the FMLN in mid-November. According to Army sources, the offensive has resulted in 5,000 casualties, civilian casualties not included.

Honduras

Government 'Regrets' U.S. Invasion of Panama

PA2112064089 Hamburg DPA in Spanish 0534 GMT 21 Dec 89

[Text] Tegucigalpa, 20 Dec (DPA)—The Honduran Government today expressed regret over the invasion of Panama by U.S. troops, in the first official reaction to the events in Panama.

The Honduran Foreign Ministry issued a communique this afternoon stating that it "regrets that the U.S. Government was faced with the need to launch military actions," as the U.S. invasion of Panama was officially called.

Similarly, the communique "regrets" the declaration of a state of war in Panama and the acts of violence that took place against U.S. citizens.

For his part, President Jose Azcona Hoyo said that he was not informed by the United States about the military operation, although he admitted that an attempt had been made to contact him.

The U.S. invasion of Panama to depose General Manuel Antonio Noriega has been widely reported in the local press. Various sectors have condemned the measure as a violation of international law.

Commentary on Panama's 'Sad History,' U.S Ties

PY2012212289 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 20 Dec 89

[Commentary by journalist (Herman Lampaie): "The Sad History of Panama"]

[Text] For those of us who since early childhood have been learning to respect liberty, independence, and self-determination, for those of us who have nourished our minds with the beautiful concepts of national sovereignty considering sovereignty more powerful than satrapies, and invulnerable to forces stronger than one's own, this morning is filled with sadness. We need to meditate on events taking place in the brotherly Republic of Panama.

This is the sad history of men who appoint themselves owners of a republic and of world powers that appoint themselves judges to decide what is good and bad in a republic. This sad history has often been repeated in Latin American countries and has had characteristics of grandeur and of ridicule, of tragedy and comedy, of the commonplace and of the surprising.

No Latin American citizen could agree with the dictatorship of Manuel Antonio Noriega, who has been elevated to sole ruler of Panama through the use of weapons instead of ballots. The fact that there was a man in Panama who held all power in his hands—for whatever reasons—was enough to make all conscientious Latin American citizens reject the idea. Although it is distressing to see this satrap—whose power derives from the use of force—govern the country, it is even more distressing to think of troops from a world power, with strength beyond imagination, invading that country and persecuting and attacking national citizens as if they were enemies or foreigners, with the sole purpose of eliminating the dictator and replacing him with other people selected by that invader.

Under whatever light you analyze the situation, Latin Americans never believed that Noriega had any reason to elevate himself to the position of a demigod of the Panamanian people. Nonetheless, there is no reason to accept this other alternative. The invasion of Panamanian territory by U.S. troops is a sad and lamentable act that sets one more precedent in the history of relations between these small nations of Bolivar's America and their powerful neighbor to the north. No matter how much we rejected Noriega's regime, it is extremely painful for us citizens still believing in national sovereignty and political independence nations, to support the idea of invasion of Panamanian territory by U.S. troops or to be indifferent to it.

Unfortunately, dictators and tyrants not seeming to realize when it is time to leave power and admit that their people can no longer bear their attitudes submit their people to extreme degrees of humiliation, because they do not realize that in their despotism they cannot afford to ignore the essential rights of the people. This is

why dictatorships not only damage the country domestically, but also submit it to the humiliation of becoming 20th century colonies of those that invade under the premise of [word indistinct] and helping the opposition oust the dictator.

In the wee hours of this morning, I was reviewing the Republic of Panama's history since the days of the early Spanish settlements, since the conquerors' very first battles to obtain vast territories, since the murder of Vasco Nunez de Balboa at the hands of Colonel Pedrarias Davila. I have studied the struggle of the Panamanian people to establish the republican system of government, their separation from Colombia and their reunion 3 days later. I reviewed it all until I reached the events of 1903 when, supported by the United States, Panama was definitively proclaimed an independent Republic, and establishes, after signing the first Treaty on the Panama Canal, a strange relationship with the United States.

This was Panama's greatest glory and greatest disgrace. Noriega's regime was not the first de facto regime to coexist with the U.S. troops that guard the canal. Times, however, have changed a lot in the lives of the peoples and of the nations. Reality about political sovereignty and absolute independence is not as sweet as our history books teach us. It is very good to see Noriega go, but it is sad, very sad, to see a worse evil replace Noriega's regime—to see Panamanian territory invaded. This invasion violates all international laws and the right to self determination. Invasions, however, are nothing new in Latin American history. They have repeatedly occurred throughout more than 150 years of our republican history. How sad. How sorry we must be for the unfortunate poor peoples of the world.

Commentator Views Surprise Over U.S. Invasion

PY2012190989 Tegucigalpa Voz de Honduras Network in Spanish 1145 GMT 20 Dec 89

[Unattributed commentary during station program feature: "Issues of the Moment"]

[Text] Following the U.S. invasion of Grenada, the world discounted any further possibility of a U.S. armed operation against another nation of the American continent, despite the deterioration of its relations with other governments and provocations against the U.S. Government. It was believed that the U.S. would confine its participation to supporting and sponsoring movements aimed at ousting governments or, as in the case of Nicaragua, supporting rebel forces to achieve the goals set by the White House.

The events that occurred early this morning in Panama have surprised the world because, despite General Manuel Antonio Noriega's challenging attitude, no one thought the U.S. would invade Panama. Noriega was certain the U.S. Government would not do so, and supposed that U.S. attitudes against him would consist of sponsoring rebellion, such as the recent 3 October attempt, when the U.S. Government encouraged members of the Panamanian Defense Forces to rebel against their commander in chief. Noriega never thought the U.S. Government would ever conduct a military operation against Panama, although there were U.S. troops based in the canal zone. He continued under this impression because never before had these troops changed from their role of surveillance, not even when Washington promoted the rebellion of some young officers of the Panamanian forces.

This excessive security distracted Noriega and encouraged him to challenge U.S. policies. Noriega did not believe the U.S. threats, and he adopted an omnipotent stance, like his recent decision to appoint himself the supreme leader of Panama. Noriega believed that the United States would continue to support subversion in his country, and that the U.S. decision to support the opposition currently in exile would produce movements against his regime, or that a commando might attempt to kidnap him. As a result of this belief, he increased the strength of the military forces and equipped many civilians who supported him with weapons to be ready to dismantle movements that tried to destabilize his government.

As the clock struck midnight in Panama, U.S. forces began an operation against the Panamanian Defense Forces barracks. The troops already based in Panama, and those flown in from bases in California and other cities near Panama, started a massive attack to oust Gen Noriega.

The invasion, which seemed possible to some and to others [words indistinct], were mainly conducted to punish someone who has been declared one of the most important Latin American drug traffickers by U.S. courts.

Early this morning, sources close to the White House announced that the operation was aimed at capturing Noriega and taking him to the United States to be tried for the crimes attributed to him by U.S. courts, ensuring compliance with the Treaties on the Panama Canal, and restoring democracy in the country following the farcical May-1989 elections.

These are the reasons for the U.S. armed intervention in Panama, which is filling the world with trepidation because of the danger hovering over the continent and the fact that President Bush's decision has gone beyond the logic of the U.S. policy toward Latin America.

International observers did, however, guess that something was about to occur when President Bush said recently that while the U.S. Government could reach agreement with Nicaragua, it was impossible to reach any agreement with Noriega, and that the United States had to do something about this veiled threat to the American continent.

Today, Panama is a battlefield. The capital and other cities are battlefields on which government forces are

fighting the U.S. units in ground, air, and maritime operations that seek to oust Manuel Antonio Noriega.

The U.S. action focusses world attention on Washington's decision. Many nations will protest and reject the U.S. invasion disguised by a series of peace-seeking actions.

Four days before Christmas Eve, the ghost of war is haunting our continent. We must ponder the need to keep Honduras on the democratic path, and to avoid the anarchy that destroys nations and decimates peoples. The events that have kept the world in vigil since midnight will continue for hours, days, or maybe weeks because, so far, the news is very confusing and civilian victims are dying on the streets of Panamanian towns.

Castro May Be Invited to Callejas' Inaugural

PY2012204989 San Pedro Sula TIEMPO in Spanish 20 Dec 89 p 5

[Text] San Pedro Sula—Olman Serrano, a Nationalist deputy for Cortes Department, does not rule out that President-elect Rafael Leonardo Callejas will invite Cuban President Fidel Castro Ruz to attend the presidential inauguration ceremony on 27 January 1990.

Callejas won the elections on 26 November 1989. During a television newscast he said then that he was not sure whether he would invite the Cuban president to attend his inauguration ceremony here in Honduras.

Nevertheless, the Nationalist deputy said that over the past few years Honduras has opened up relations with socialist countries, to the extent that it has signed a trade agreement with the Soviet Union and, at a congressional level, there have been exchange visits between Cuban and Honduran deputies.

Congressman Serrano indeed gave assurances that Callejas will invite the presidents of the International (?Democratic Union), of which he is the vice president. This union comprises the UK, Japan, the United States, Canada, and France.

Olman Serrano also announced that on 27 January, the day on which Callejas will assume power, traditional costly gala receptions will not be held. Rafael L. Callejas and his wife, Norma Gaborit, will just offer a toast to the international delegations. The members of the next Honduran cabinet will participate in the toast.

Nevertheless, those Hondurans who want to personally greet Callejas on 27 January can attend three separate events organized by charity institutions. Each invitation will cost less than 200 lempiras.

Gen Regalado Not Implicated in Drug Trafficking

PA2112073389 Tegucigalpa EL HERALDO in Spanish 14 Dec 89 p 9

[By EL HERALDO editor Armando Villanueva]

[Text] As far as the Honduran Special Drug Trafficking Investigating Commission knows, Division General Humberto Regalado Hernandez, chief of the Honduran Armed Forces, is not involved in drug trafficking, although according to the investigations, his brother Rigoberto Regalado Lara and his daughter Tania Regalado are linked with that activity.

Carlos Sosa Coello, coordinator of the investigation commission, made the statements after reporting that Tania Regalado will soon be questioned about the accusations against her by her uncle Rigoberto Regalado Lara.

Military sources reported on 13 December that the search operation once carried out by 105th Infantry Brigade troops in Trujillo was aimed at discovering the illegal activities of the Armed Forces commander in chief's daughter Tania Regalado, who lives or used to live in that port.

The sources even added that the operation was conducted with the authorization of Gen Regalado Hernandez, who apparently knew about his daughter's and her husband, Tony Mateo's activities. Apparently, Gen Regalado Hernandez had also ordered the arrest of Mateo, who was going to be delivered to the U.S. DEA [Drug Enforcement Agency].

Sosa Coello said: "As far as we know, Gen Regalado Hernandez is not involved in this."

In addition, the special commission reached the conclusion that the Honduran Attorney General's Office, as an institution, is incapable of fighting drug trafficking. The commission regretted the absence of Attorney General Ruben Zepeda Gutierrez during the news conference given by the special commission on 13 December. The commission also described the National Investigations Department as incapable of fighting drug trafficking and added that this institution is not reliable.

Sosa Coello said the commission will try to create a special organization that should be in charge of auditing all the cocaine and other drugs being held for safekeeping at the Honduran Central Bank and at various courts.

Similarly, Sosa warned the authorities about the danger that hangs over the country because of the money laundering, especially in view of the lack of cash in local banks. Sosa added that the National Congress should be very careful about approving a foreign investment law that could be used for money laundering purposes.

The members of the commission warned that Honduras risks becoming the recipient of the drug laboratories that have been dismantled in Colombia. The commission warned the Honduran population about the recent increasing cocaine consumption in the country.

During the question and answer period of the news conference, commission members refrained from linking former Puerto Cortes Navy Commander Bruno Fontana

with drug trafficking activities because they said his accuser, Regalado Lara, did not having enough evidence to support the accusation.

Nicaragua

EPS on State of Alert After Panama Invasion

PA2012154389 Managua Domestic Service in Spanish 0700 GMT 20 Dec 89

[Government communique; issued in Managua on 20 December]

[Text] On 20 December at 0015 U.S. Army troops invaded the Republic of Panama. This action by the U.S. Government attempted against international law and order, once again reveals the imperialist nature of U.S. policy.

When the world demands dialogue, the peaceful solution to conflicts, the renunciation of the use of threats and force, and U.S. leaders themselves allege to be enemies of violence, incidents like this, already causing destruction and death among the neighboring Panamanian people, threaten the security and precarious stability of the Central American region.

Humanity has thrown its full support behind the agreements signed by the USSR and the United States, as well as behind the withdrawal of Soviet troops from Afghanistan, the withdrawal of Cuban troops from Angola, the peaceful solution of Namibia's independence, the withdrawal of Vietnamese troops from Cambodia, the peaceful solution of the Palestinian and Saharan issue, and the negotiated solution of conflicts affecting the Central American region.

The brutal invasion launched at midnight by the U.S. Government against the Panamanian people is unanimously repudiated by the people of the world who are demanding the immediate withdrawal of U.S. troops from Panama.

In view of these facts, the Nicaraguan Government, which has been the victim of U.S. intervention over the past century and has, for the past 10 years, faced the terrorist policy of U.S. authorities, declares the maximum state of alert throughout the nation, and as of this moment, is at the full disposal of the Supreme Council for the Defense of the Fatherland.

In keeping with this declaration:

1. The Sandinist Peoples's Army [EPS] has been placed on a general combative state of alert which implies:

a. The immediate deployment of the EPS' permanent land, sea, and air combat units.

b. The placement on alert of reserve units and Sandinist people's militia. The instruction of their general staffs, chains of command, and organization of combat plans with their respective superior units.

c. The EPS' general staff will implement measures to ensure, if necessary, the country's full combat readiness, in accordance with the national defense plan.

2. The Interior Ministry will guarantee all of its plans for state security and internal order in keeping with this national state of alert.

3. The government's emergency cabinet is summoned so that in coordination with the EPS high command it can ensure the necessary measures in accordance with the development of the situation created by the U.S. invasion of Panama.

Issued in Managua on 20 December 1989.
Daniel Ortega Saavedra
President of the Republic

Further on Alert Status

PA2012220389 Panama City ACAN in Spanish 2117 GMT 20 Dec 89

[Text] Managua, 20 Dec (ACAN-EFE)—It has been officially announced that Nicaragua today mobilized 70,000 men and brought out cannons, tanks, and antiaircraft artillery in the country's largest cities following the U.S. military invasion of Panama.

A spokesman for the Nicaraguan Defense Ministry confirmed to ACAN-EFE that the Sandinist People's Army (EPS) is in a state of "maximum combat readiness" and that the Sandinist militia and reservists have been summoned to their respective headquarters.

President Daniel Ortega, who has decreed the "maximum national alert throughout the country," postponed a news conference scheduled for 0700.

A demonstration called by Managua Mayor Carlos Carrion has been scheduled for 1600 in front of the U.S. Embassy in Managua.

The progovernment newspaper EL NUEVO DIARIO, in a special edition published at midmorning today, published a photograph of General Manuel Antonio Noriega surrounded by loyal troops.

The newspaper also published photographs of EPS cannons located in the vicinity of the "Augusto Cesar Sandino" International Airport in Managua.

UNO Concerned Over Alert

PA2012235689 Panama City ACAN in Spanish 2327 GMT 20 Dec 89

[Text] Managua, 20 Dec (ACAN-EFE)—The National Opposition Union (UNO), comprised of 14 political parties, today expressed its "concern" in light of the Sandinist government's decision to declare a state of maximum military alert as a result of the U.S. intervention in Panama.

The opposition alliance, whose presidential candidate is Violeta Chamorro, issued a communique today stating

that the state of alert "can also lead to an increase in the repression against UNO leaders and members."

Official sources have confirmed that following the U.S. invasion of Panama, Nicaragua today mobilized 70,000 men and brought out cannons, tanks, and antiaircraft guns. These can be seen in all the major cities throughout Nicaragua.

The UNO's political council drafted the declaration and described as "irresponsible on the part of the government (Nicaraguan) to have publicly offered its political support, as well as military aid, to General Manuel Antonio Noriega's regime."

"This commitment (Sandinist commitment) to Noriega, who is internationally described as a person involved with drug trafficking, threatens the political stability and peace in Nicaragua," the UNO declaration adds.

Government Denies Panama Requested Military Aid

PA2012144289 Panama City ACAN in Spanish
1317 GMT 20 Dec 89

[Text] Managua, 20 Dec (ACAN-EFE)—The Nicaraguan Government today denied that Panama has asked for military help following the intervention by U.S. troops.

According to the Voice of America, Panamanian Head of Government Manuel Antonio Noriega today asked Cuba and Nicaragua for miltary help to confront the U.S. invasion. A spokesperson for the Nicaraguan Defense Ministry questioned by ACAN-EFE denied this.

"There has been no official or unofficial request, and it would seem contradictory for Noriega to request help when no one knows where he is," the military source said.

Since early this morning Nicaragua has been on a "maximum state of alert" and has deployed its land, sea, and air forces and has alerted its reserve units and people's militia.

Troop movement and dozens of parked tanks can be seen on some Managua streets.

The radio stations are in network and continuously repeat President Daniel Ortega's communique. Ortega has sent messages to His Holiness Pope John Paul II, UN Secretary General Javier Perez de Cuellar, OAS Secretary General Joao Baena Soares, and the Presidency of the Nonaligned Movement.

Nicaragua has requested an emergency meeting of the UN Security Council.

Two Government Planes Damaged at Panama Airport

PA2112030389 Paris AFP in Spanish
0234 GMT 21 Dec 89

[Text] Managua, 20 Dec (AFP)—Radio Sandino, the Nicaraguan state-owned radio station, today reported that two Nicaraguan commercial aircraft were hit today by machine-gun fire during the U.S. attacks on the General Omar Torrijos International Airport in Panama City.

The radio station added that in light of this situation, the planes, a Soviet-made AN-32 and an AERONICA Boeing 727, were not able to take off for Managua on 20 December as scheduled.

According to sources at the airport contacted by Radio Sandino, the AN-32's depressurization system has been damaged. Specifics on damage to the other plane were not reported.

Serrano Condemns U.S. Intervention at UN

PA2112070189 Paris AFP in Spanish
0259 GMT 21 Dec 89

[Text] United Nations, New York, 20 Dec (AFP)—Alejandro Serrano, Nicaraguan ambassador to the United Nations, today condemned the U.S. armed intervention in Panama in the Security Council, stating that this action also "imperils the Central American region."

The Nicaraguan representative, who has defended General Manuel Antonio Noriega's regime on several occasions, asked the Security Council to "condemn this outrage to the consciences of civilized people of the world and demand the immediate withdrawal of the invading troops from Panamanian soil."

Stating that "no possible argument can justify an intervention against a sovereign state," Serrano added that the U.S. action constitutes a violation of the UN and OAS Charters.

"Over a period of 6 years, the United States has twice invaded Latin American and Caribbean countries—Grenada in 1983, and Panama today," the ambassador said.

Serrano said later that this is "a reaffirmation of the infamous Monroe Doctrine and gunboat diplomacy." He was referring to the U.S. invasions of Nicaragua in 1912 and 1926, as well as other invasions in Cuba, Mexico, the Dominican Republic, and Haiti.

The Nicaraguan proposal that the U.S. intervention be condemned has no chance of being approved, since the five members of the Security Council—the United States, the USSR, France, Great Britain, and China—have veto power, a Latin American diplomat said.

Opposition Parties React to Events in Panama

PA2012223189 Hamburg DPA in Spanish
2157 GMT 20 Dec 89

[Text] Managua, 20 Dec (DPA)—A sector of Nicaragua's political opposition today condemned the U.S. military invasion of Panama, while the National Opposition Union (UNO) Political Council met to examine the events taking place in that country.

Local newscasts broadcast political reaction to the situation: Conservative legislator Gerardo Alfaro proposed that the Nicaraguan Assembly hold an urgent session to examine the events in Panama and issue a resolution.

Bonifacio Miranda, presidential candidate for the radical Revolutionary Workers Party (PRT), said that "Panama's problem should be resolved by the Panamanians themselves, and not by U.S. troops who have decided to leave their bases in Panamanian territory to attack the Panama Defense Forces [FDP] headquarters."

Julio Ramon Garcia Vilchez, Social Christian Party, said that Nicaragua's political forces, which are now preparing for elections on 25 February 1990, "should reconsider their position." [poner su barba en remojo]

Garcia Vilchez believes that what has happened in Panama "could be repeated in Nicaragua, but may God never allow this to happen." The Social Christian leader pointed out that the United States has maintained a confrontational attitude toward the Sandinists.

Nathan Sevilla, a legislator for the ruling Sandinist National Liberation Front (FSLN), said that in Nicaragua "there are right-wing political forces which refuse to condemn actions like the one perpetrated in Panama."

Alfonso Moncada, of the Independent Liberal Party for National Unity, said that the U.S. military invasion "is creating international political upheaval and that is why all the foreign ministries in the world are examining the situation." Moncada said that the invasion will also have an impact on the electoral process in Nicaragua; "he thus believes that all the political forces participating in the election process (21 political parties organized in 2 alliances and 8 parties that will participate independently) are obliged to fully examine what is happening in Panama, see what situations unleashed the events, and correct the [word indistinct] such as the UNO."

Workers Stage Demonstration To Protest 'Invasion'

PA2012234789 Panama City ACAN in Spanish 2212 GMT 20 Dec 89

[Text] Managua, 20 Dec (ACAN-EFE)—Approximately 2,000 Sandinist workers today staged a demonstration in front of the U.S. Embassy in Managua to protest the U.S. invasion of Panama.

The demonstration headed by Damaso Vargas, leader of the Sandinist Central Organization of Workers (CST), the largest labor union in the country, lasted ½ hour and transpired without any incidents.

The Sandinist demonstrators shouted slogans favoring anti-imperialism and the defense of the "Panamanian people's struggle against the criminal invasion" launched by U.S. troops against Panama's military headquarters this morning.

Many of the demonstrators wore shirts alluding to the Sandinist National Liberation Front and its presidential candidate Daniel Ortega, while others carried red and black flags that symbolize the revolutionary struggle, and Nicaragua's blue and white flag.

The FSLN has scheduled an even larger demonstration at 1600, also to reject and condemn the U.S. invasion of Panama.

It has also been reported that President Daniel Ortega suspended a Christmas party to which he had invited the local and foreign press, in view of the state of alert the Nicaraguan Government has decreed in reaction to the situation in Panama.

Parties Reach Agreement on Electoral Campaign

PA2112072989 Managua Radio Sandino in Spanish 1930 GMT 18 Dec 89

[Text] We have received a photocopy of an agreement reached by the parties.

We of the Social Conservative Party, the Revolutionary Workers Party [PRT], the Sandinist National Liberation Front [FSLN], the Marxist - Leninist People's Action Movement [MAP - ML], the Social Christian Party [PSC], the Central American Unionist Party [PUCA], the Democratic Conservative [PCD], and the Movement of Revolutionary Unity [MUR], all of whom are participating in the current electoral process, having met on 15 December 1989 after having been convened by the Supreme Electoral Council with the United Nations and OAS elections observers as guests, inspired by a constructive spirit and patriotic responsibility, concerned over the increase of violence in the country particularly the incidents that have saddened the electoral campaign and caused damage, and aware of our duties as political leaders in preventing the repetition of these incidents, with the firm determination that the electoral campaign be held in peace, tranquillity, and mutual respect so the elections can truly be a civic festivity of the Nicaraguan people, agree to the following:

1. We hereby make a solemn commitment to consolidate with practical measures the necessary conditions for carrying out the electoral process. For this reason, we are making a formal appeal to our active members and followers so that:

a. the right of our people to freely elect their leaders be respected in accordance with the government platforms and struggle plans of the parties, eliminating insult and slander from the proselytizing language;

b. the right of every party to express itself freely in accordance with the principles and interests that each party represents be respected;

c. all kinds of verbal abuse and physical violence can cease;

d. the parties do not provoke or fall for provocations.

2. We agree to demand the disbanding of the Nicaraguan Resistance [RN] and the immediate cessation of all kinds of actions against the people and the electoral process so it can be held in peace and in a civilized manner.

We of the PSC and PCD hereby take exception to point 2 which deals with RN's demobilization because this disbanding should occur in the framework of the Central American presidents' accords on this matter.

Panama

Endara Interviewed by San Jose Radio

PA2112151089 San Jose Radio Impacto in Spanish 1341 GMT 21 Dec 89

["Exclusive" interview with President Guillermo Endara by unidentified Radio Impacto reporter; on 20 December, place not given—recorded]

[Text] [Reporter] President Endara, we would like you to tell us what you have been doing after being sworn in as constitutional president of Panama.

[Endara] With pleasure. Ricardo Arias Calderon, Guillermo Ford, and I have been working to form a government and cabinet. We have already appointed our ambassadors to the OAS and the United Nations. We have appointed Lawrence Chewning Fabrega as our ambassador to the OAS, and Eduardo Vallarino as our ambassador to the United Nations. Here in Panama I can tell you that we have formed our cabinet. However, because there are problems with the telephone lines in Panama and because, for security and other reasons, we cannot be traveling around the city as we would like to, we have not been able to talk to all the persons we have chosen. We have not been able to talk to them about our plans and what we would like to do. Therefore, I cannot announce the names of the cabinet because I have not talked with all of them. I have only talked to some of them. We will make the announcement at the right time, when we can function more adequately, something that is difficult right now because of the problems we are experiencing with the telephones.

Thank God, we had already studied and planned how we would rebuild the national economy. Thank God that the talks we have held today with some foreign presidents allow us to say that we will be able to count on the solidarity of our American brothers, the solidarity of our continent, to rebuild the economy that was destroyed by General Manuel Antonio Noriega's military dictatorship.

[Reporter] President Endara, how have the Panamanian people reacted to the U.S. military action against Gen. Noriega's dictatorship?

[Endara] From the very beginning, we advised the people to remain inside their homes. Most of the people have stayed at home. This morning we again asked the people to refrain from going to work, to school, or carrying out normal activities. They listened to us. The people have protected themselves and remained inside their homes.

Regarding the U.S. action—well, the truth is that the people would have preferred to avoid such action. We would have preferred to avoid such action; unfortunately, Gen. Noriega's dictatorship was so bad and corrupt, and he was so determined to remain in power that the United States had no other alternative but to do what they did early this morning. It has hurt us because Panamanian people have died and have been wounded. All this could have been avoided had Noriega not been so determined to remain in power.

[Reporter] President Endara, do you know if the Dignity Battalions are carrying out what they promised? They had said that if the United States invaded Panama they would kidnap members of the opposition.

[Endara] I am not informed of all that the Dignity Battalions are doing, but from what I have heard, they are only stealing and looting. They are common criminals and are acting as common criminals.

[Reporter] Do you know where the dictator Noriega is? There are rumors that he is heading for Costa Rica.

[Endara] I do not know. I heard rumors that he was in Colon. Others said that he was at the general command, while others say that he is at his farm in Chiriqui Province. I must confess that I do not know where he is. I have no idea where he could be.

[Reporter] President Endara, we would like you to send a message to the Panama Defense Forces.

[Endara] With pleasure. It is also my duty to do this. The Panama Defense Forces [FDP], the members of the FDP, are Panamanians. Most of them, a vast majority of them, are honorable persons, good-hearted persons, persons who can and must be professionals when practicing their military duties, persons who can very well form an FDP that can be an example of civility in Latin America. We would work with an FDP that respects the civilian power chosen by the people, that respects democracy, a professional FDP. We, in turn, would respect them as soldiers and respect their office and rank. We would respect their rights. We do not want to strip them of rights they have earned. Quite the contrary, we wish them to feel they have every guarantee. However, they must always know that they must be at the service of the homeland and under the civilian authorities chosen by the people.

[Reporter] Do you have a message to the Panamanian people?

[Endara] These are very difficult times for the Panamanian people. Today's acts of violence have been painful. People have been killed and wounded. However, we had to shake off Noriega's dictatorship. We had to put an end to this opprobrious regime. That regime had totally repressed our aspirations of free and progressive people.

With Noriega's removal and the beginning of a democratic government, a new era begins in Panama. We had planned to celebrate this day, but because of the dead and wounded we will not be able to celebrate as we would have liked, we do not feel like celebrating. However, we must all be aware of the fact that we all must contribute our grain of sand to make our Panama a big Panama; a Panama we can be proud to leave to our children and grandchildren. We must do our duty and do it well because our children and grandchildren will benefit from this.

[Reporter] In conclusion President Endara, we would like you to send a message to the democratic governments of the world.

[Endara] Of course. First of all I wish to thank our Latin American brothers who have always supported us in this struggle to establish a democratic government in Panama. Our Latin American brothers are the forefathers of this democracy being born in Panama. To the other countries of the world, especially the EEC, we are grateful for the support we received. Whenever one of our followers was arrested, we received their support to obtain their release. The European governments did their best to obtain the releases. We are truly grateful for the help given to us by all the peoples of the world. We ask that you continue to help us because there is much to be done ahead. We need the help of our brothers.

Noriega Asks for International Support

PA2112011189 Panama City Estereo Rey in Spanish 0052 GMT 21 Dec 89

[Message to the nation from General Manuel Antonio Noriega, place not given—recorded; station identifies itself as "Cadena de la Resistencia"]

[Text] To all the Panamanian people, this is General Manuel Antonio Noriega. We are in our combat trenches. Greetings. We will continue our resistance. Congratulations to the Dignity Battalions. Congratulations to my comrades in arms and the Defense Forces. Congratulations to the CODEPADI [Committees for the Defense of the Fatherland and Dignity]. Congratulations to all the Panamanian people. We must resist and advance toward our goal.

We ask the world to help us. We ask the countries to help us materially with everything—men, dignity, forces. We ask the world for this aid on this day. Panama needs it.

Our slogan is Triumph or death. Not a step backward, and forward march at the pace of victors.

Noriega Spokesman Speaks With Foreign Reporters

PA2012163389 Panama City ACAN in Spanish 1412 GMT 20 Dec 89

[Text] Panama City 20 Dec (ACAN - EFE)—Major Edgardo Lopez Grimaldo, General Manuel Antonio Noriega's public relations officer, has told foreign newsmen that at least 30,000 U.S. troops participated in the attacks against Panamanian garrisons that started 9 hours ago.

Lopez said that the Panamanians have had between 50 and 60 dead and "many" wounded. He said,"however, there are also fatalities among the invading troops."

He said, "we are being invaded cruelly and unjustly. This stuff about Noriega is an excuse that not even the Americans believe.

He added that there are U.S. tanks on the city's main avenues, and that helicopter gunships are attacking the "Old Panama" garrison on the outskirts of the city.

According to Major Lopez, the resistance at "Old Panama" is very weak because Panamanians there only have "cavalry troops and no special weapons."

Noriega's spokesman called U.S. President George Bush "shameless" and "cynical" for having said that he intervened in Panma to ensure respect for the canal treaties.

Noriega Press Secretariat Issues Communique

PA2112020689 Panama City Estereo Rey in Spanish 0112 GMT 21 Dec 89

[Communique issued by the Noriega regime through the Presidency Press Secretariat; in Panama City on 20 December]

[Text] Aware of its duty to inform the national and international community on the incidents occuring throughout the country, the Panamanian Government feels that it is its inescapable duty to ensure that the public administration, headed by Provisional President Francisco Rodriguez and head of government General Manuel Antonio Noriega, is at the front of all the efforts being made to confront the merciless actions to which our people have been subjected for approximately 24 hours, when George Bush's barbaric and genocidal government made itself present through the actions and attacks by the invading U.S. Army. It is correct that the international community be made aware that we will not falter in our determination to defend the national dignity, which was stained today by the U.S. troops with the support of a small group of bad Panamanians whom history will accuse as traitors.

The Panamanian Government appreciates and is very proud of the attitude assumed by the large majority of our people and has no words to express its commitment to governments of other nations that did not have any doubt for a single second in offering their international support, governments which have strongly condemned, as we have done, the unspeakable aggression to which we are being subjected.

The Panamanian Government urges fellow countrymen in the interior of the country not to falter in the struggle; to the churches of the world, we demand your intervention to put an end to these barbaric actions which are

mercilessly harming thousands upon thousands of innocent people, many of whom are now homeless and who are being provided with special places where they can remain.

The Panamanian Government reaffirms that the national authorities are in their positions; each official at the head of his ministry, institution, and official office, trying through every possible means to soften the suffering of thousands upon thousands of fellow countrymen who are today suffering the loss of a loved one or who have seen their closest relatives injured.

It is our duty to stress and give as an example the pages of heroism written with courage by fighters who, seeing the homeland hurt and stained by the boot of a foreign and arrogant army, did not have any doubts for a single second in taking a step forward to defend it. The country must also know that the government is carrying out extraordinary efforts to operate the hospitals in top condition. We have tried to give them all we have amid this national emergency we are experiencing.

We once again protest with all our strength the constant harassment and the attacks, without taking any risk, by the invading army. The invading army continues to bring tears and grief to the Panamanian family.

The Panamanian Government urges the people to remain alert and adopt the measures they consider necessary should new attacks occur. We recommend that you gather water, keep candles handy, and equip yourselves with the necessary basic products. The national mobilization must continue. The resistance's triumph over the invasion is guaranteed. We will fight until final victory because reason and justice are on our side. Barbarism and killing of a nationalist people can never be excused. The government will continue to report.

PPR Leader Airs Coded Message to Resisters

PA2012140389 Panama City Domestic Service in Spanish 1303 GMT 20 Dec 89

[Message from Luis Gaspar Suarez, leader of the Revolutionary Panamenist Party, PPR—live]

[Text] Comrade Ruben Dario Murgas [station director], we again call on Panamanians to resist. We ask Panamanians to resist. At this time, the green beast has been denounced in the Dominican Republic, Spain, Colombia, Chile, and Guatemala. Here, we Panamanians will continue this network of resistance. We will continue to face up to it. Remember the heroism of the Dominican and Grenadian people.

Panamanians, no one here will surrender. Attention, White Tiger Command. Attention, White Tiger Command, Operation Two. Attention, Bishop's [Alfil] Command, Attention, Bishop's Command, Quartering Operation. Nettle [Ortiga] Units; Position B. Nettle Units, Position B. Consult Papa.

Panamanian people, the PPR, the CODEPADI [Committees for the Defense of the Fatherland and Dignity], the Dignity Battalions, and all patriots will continue resisting to the end.

For this reason, I have just issued a statement to the world, because the world is supporting us. The students, the labor activists, and workers worldwide are supporting us. We say to them: Not a step backward! Not a step backward! Long live Panama! Long live Panama!

Francisco Rodriguez, Leonardo Kam News Conference

PA2012170289 Panama City Domestic Service in Spanish 1507 GMT 20 Dec 89

[News conference held by Francisco Rodriguez and Leonardo Kam with local and foreign correspondents at the Foreign Ministry in Panama City—live]

[Text] [Rodriguez] Good morning distinguished local and foreign correspondents. As you and the world know, the U.S. Administration declared war on Panama on 8 April 1988 when President Reagan resorted to the law that granted him war powers. Since that moment our country has been economically attacked; it has been politically attacked; we have been diplomatically attacked; we have been psychologically attacked; and today we are militarily attacked.

This new military aggression, launched during the early hours of the day, has already resulted in more than 60 dead and several hundred wounded. Most of these are civilian casualties. The attack was especially strong in the densely populated El Chorrillo neighborhood. Very poor people live in this neighborhood, which is still burning. You can go and see for yourselves. What is worse, it is surrounded by the U.S. Armed Forces, who are not even allowing the Red Cross to enter the area and help the victims.

This is not the first time the U.S. Government has tried to impose nonexistent rulers to take over the Panamanian Government. This is why this government denounces these bloody, brutal, and criminal actions against the peaceful people of Panama and against our Republic's stained sovereignty and independence. Likewise, this government states that it is in control of the country and its institutions and summons the international community to express its solidarity, especially in these times when our people need it. It is quite evident that the objective of this brutal attack is not the elimination of a man, General Noriega. This was confirmed by Mr. Bush in the statements he made this morning. He said that his purpose, among others, is to impose a docile and subservient government, a government that will respond to the interests of the United States. We wish to tell the world, and our country, that our people resist and will not stop until this aggression is suspended and the Yankee soldiers who have murdered our people and hindered our national liberation process have withdrawn.

Distinguished correspondents, this is a decisive and crucial moment for our country. I ask you to tell the truth about what is going on in our country, the real truth about Panama. Panama's only crime has been to try to protect its identity as a country, as a free, worthy, and sovereign republic. Thank you gentlemen. [applause]

[Reporter] Mr. President, I have two questions for you. First, your opinion regarding Mr Endara's announcement that he has been sworn in as president of Panama and that he may have, in one way or another, supported the U.S. military action. Second, throughout the night or this morning, have you been in contact with the head of government and commander of the Panama Defense Forces, [FDP] General Noriega? Thank you.

[Rodriguez] Yes, thank you. Regarding your first question about Mr Endara proclaiming himself president, I believe it is a truly repudiable action. At this moment there is nothing, absolutely nothing that can justify placing any interest above the protection of this country's sovereignty. There is absolutely nothing that is more important than this. Any attitude that contradicts this merits repudiation, indignation, condemnation.

Yes, we have been in contact and have been coordinating actions with the Panama Defense Forces group throughout the night.

[Castro] Nelson Notario Castro of the Cuban radio and television press service. Mr President, I have a feeling that the United States is not very happy with Panama because, despite their tanks, cannons, and planes, Panama is not paying attention to them. You are holding a news conference here and Gen Noriega has stated that there is no possibility of surrender. Taking all these things into consideration I wish to ask: If the United States increases its military escalation this afternoon and tonight, what will the Panamanian Government do?

[Rodriguez] We are ready and we have proven, and will continue to prove, that we only have one purpose in mind, protecting our identity as a sovereign, free, and independent republic. We will resist to achieve this purpose.

[Reporter] Mr President, is it true that the FDP and the forces that support it have downed a U.S. helicopter?

[Rodriguez] We are studying information we are receiving. We have no information regarding this. We cannot confirm it.

[Cupas] Mr President, this is Tomas Cupas of UPI. Does the Panamanian Government intend to file a protest at the UN Security Council over this attack by a foreign government?

[Rodriguez] I will ask Foreign Minister Leonardo Kam, who has been in touch with these organizations, to answer your question.

[Kam] With pleasure, Mr President. Yes indeed, Mr Cupas. The UN Security Council has called for an urgent meeting. The council will meet at 0200 in what is known as an informal consultation, to determine when an official public meeting will be held. This informal meeting is expected to be held today. This morning I talked with the UN Assistant Secretary General for Political Affairs and the president for this month of the Security Council and gave him the fullest and clearest possible report on this brutal aggression against Panama. I have told them that Panama is demanding that the United States pull out its invading troops immediately, totally, and unconditionally. We have also requested an urgent meeting of the OAS Permanent Council, which should be held at 1030. In addition, the Nonaligned Movement's Coordination Bureau is scheduled to meet today to debate the U.S. aggression against Panama and make a statement in harmony with what have been the movement's historic stances and principles; this is to say, strongly condemn this aggression against the Panamanian people.

I have been in contact with other Latin American foreign ministers, and we have received, from all of them, expressions of support, repudiation, and indignation in light of the aggression to which our people have been subjected. This morning I also talked with some ambassadors who are permanent members of the Security Council, and they have reiterated their respective governments' support. They will insist and demand at the UN Security Council meeting that the United States immediately, totally, and unconditionally withdraw its invading troops.

We have also learned that a large number of countries have already strongly and flatly condemned this brutal U.S. aggression against Panama. The majority of these governments believe that the United States has trampled upon the UN and OAS Charters and that no justification exists in the international law for such an aggression against a peaceful and defenseless people. Thanks.

[Perez] This is Raul Perez Pena of EXCELSIOR. Mr President, what reports are available on the situation in Panama province.

[Rodriguez] Everything is calm in the provinces. The various sectors and groups, such as the Dignity Battalions and the public employees who form the defense battalions, called CODEPADI's, [Committees for the Defense of the Homeland and Dignity], have been mobilized. In addition, the Panama Defense Forces and public employees are active in the country's interior.

[Alvarez] Manolo Alvarez of AFP. Will the Panamanian Government file any kind of legal suit or issue a warrant of arrest against opposition leaders Guillermo Endara, Ricardo Arias, and Guillermo Ford?

[Rodriguez] We are very respectful and tolerant of other people's opinions. Investigations are being conducted, however, to determine the participation of these leaders in the events. If there is merit...[changes thought] Of course, it will be so because we are dealing with the respect for and dignity of this country.

[Moderator] Any other reporter want to ask some question? One last question. Andre Claret of ACAN-EFE.

[Claret] I would like to know whether the government will meet and whether you are in a position to physically go to the Presidency?

[Rodriguez] Indeed. The government has been meeting at various ministries during the morning. Obviously, since early today, we have been coordinating some aspects. We will meet at our usual places.

TASS Interviews Leonardo Kam on 'Aggression'

LD2012155789 Moscow TASS International Service in Russian 1501 GMT 20 Dec 89

[Text] Panama, 20 Dec (TASS)—Foreign Minister Leonardo Kam has called on all international organizations, governments and peoples to demonstrate solidarity with Panama in this difficult hour for the Republic and to demand the immediate cessation of aggression from the Bush Administration.

In an interview with TASS Correspondent Eldar Abdullayev, the minister announced in the name of the country's government and people:

"We want to inform world public opinion of the criminal aggression against a sovereign state which is being carried out with the use of modern means and methods of warfare: aerial bombardments, paratroop drops, and the combing of streets and apartments. According to the data of the Panamanian Foreign Ministry, in the course of armed clashes, already more than 100 people have been killed and several hundred wounded. The vast majority of victims are civilian inhabitants. In this way, Washington is carrying out a most flagrant infringement of the territorial integrity and sovereignty of Panama, the provisions of the Torrijos-Carter Treaty, and UN and OAS statutes."

In the words of L. Kam, SNO [expansion unknown] subunits and all the Republic's patriots have demonstrated heroism in defending the country against aggression. The republic urgently needs moral support and material aid. Hospitals are overfilled with dead and wounded; there is not enough donated blood, medicines, or equipment. At the same time, President Bush is hypocritically announcing the Pentagon's intention "to defend the lives of U.S. citizens in Panama," the Panamanian foreign minister stated. "What talk of justice can there be if the provision of the security of one people is realized by the bloodshed, sufferings, and casualties of another," Leonardo Kam said.

Noriega Minister Pereira Affirms Resistance

[Statement by Renato Pereira on 20 Dec in Paris—recorded]

LD2012233189 Madrid Domestic Service in Spanish 2200 GMT 20 Dec 89

[Excerpt] [passage omitted] The Panamanian people have a long patriotic tradition which is just as good as that of France or other European countries which have resisted invasions. We are going to resist for 2, 3, or 20 days, however long it takes, and in the end the Americans will have to recognize that we are living in times when problems are not resolved by war, but by dialogue.

Military Zone Chief Sends Message to Civilians

PA2012172789 Panama City Domestic Service in Spanish 1226 GMT 20 Dec 89

[Message from Lieutenant Colonel Luis Del Cid, chief of the 5th Military Zone]

[Text] This is a message to the civilian population of both Chiriqui and the country. As our commander in chief said, we must not take a single step backward. If we fall, all of Central America will fall. If we fall, all of Central America will fall [repeats himself]. In the Province of Chiriqui, the Dignity Battalions are ready to meet any Yankee intervention in the province. If they come here, we will cut their throats.

U.S. Helicopter Downed in Downtown Panama City

PA2012172589 Panama City Domestic Service in Spanish 1602 GMT 20 Dec 89

[Text] The following is a last-minute report. Radio Nacional listeners we have a last minute report. A North American helicopter was downed a few minutes ago in the area near Huerta Sandoval [in downtown Panama City, near the Modelo Jail] by the Panamanian patriotic forces. We repeat, a U.S. Air Force helicopter was downed a few minutes ago in the area near Huerta Sandoval, El Chorrillo.

We have also learned that, at this moment, A-36 planes are bombing the area where Tinajitas Garrison is located in San Miguelito. We repeat, the garrison where the 1st Infantry Company, the Tinajitas Tigers, is stationed is being bombed by A-36 planes.

Radio Stations 'Duty' To Join Resistance Network

PA2012174489 Panama City Domestic Service in Spanish 1638 GMT 20 Dec 89

[Communique issued by the Noriega regime's Ministry of Government and Justice's Media Directorate—read by Enrique Victoria Arias]

[Text] The Ministry of Government and Justice's Media Directorate hereby reminds all radio stations in the country that it is their duty to join Radio Nacional, the

great resistance network, to report to the people all the details of the U.S. Army invasion against Panama's territorial integrity and sovereignty. The Media Directorate reminds all holders of state-assigned frequencies of their duty to obey the Ministry of Government and Justice's regulations. [Signed] The Ministry of Government and Justice's Media Directorate

Hundreds Loot Businesses on Capital's Main Street

PA2012193089 Panama City ACAN in Spanish 1752 GMT 20 Dec 89

[Text] Panama City, 20 Dec (ACAN - EFE)—Since this morning, hundreds of people have been looting stores and supermarkets on the main commercial street of the Panamanian capital, located a few hundred meters from the general headquarters of the Panama Defense Forces, which were destroyed in the early morning attack by U.S. troops.

Witnesses told ACAN-EFE that furniture stores, appliance stores, and supermarkets have been looted by many people who are even fighting among themselves for the booty.

Several dozen men and women have gone to the Santo Tomas Hospital this morning with cuts on their hands and feet from the store windows broken during the looting.

Some looters have been arrested by Panamanian policemen who handcuffed them and took them to the hospital.

One witness to the looting, who resides in the commercial sector, told ACAN-EFE that he saw many children participating in the looting of a supermarket and running away with toys in hand.

The looting is taking place as bloody fighting continues between U.S. and Panamanian soldiers.

Fighting Between U.S., Noriega Troops Renewed

PA2012193289 Hamburg DPA in Spanish 1820 GMT 20 Dec 89

[Text] Panama City, 20 Dec (DPA)—Intensive exchange of firing is again being carried out between forces loyal to General Manuel Antonio Noriega and U.S. Army troops around the destroyed general headquarters of the Panamanian Armed Forces and simultaneously in the razed Chorrillo neighborhood.

Meanwhile, columns of smoke can be seen on the main commercial avenues of the Panamanian capital, while popular forces have taken over tall buildings in those sectors to resist the air and land attack of the U.S. soldiers.

Hospitals are incapable of handling the flood of dead and wounded that are being brought to health centers.

The Inter-American Highway, which links the capital city to the interior of the country, has been taken by U.S. troops, who are preventing passage from the interior to the capital and vice versa.

Meanwhile, shelling with light and heavy artillery has intensified in the San Miguelito area, where the Tinajitas Garrison is located.

The U.S. Embassy is being guarded by a tank and four armored vehicles, and has been surrounded by barbed wire.

Second U.S. Helicopter Reportedly Downed

PA2012195189 Panama City ACAN in Spanish 1857 GMT 20 Dec 89

[Text] Panama City, 20 Dec (ACAN-EFE)—A second U.S. helicopter was downed at 1320 (1820 GMT) in the "Old Panama" area, near the capital. This was confirmed by witnesses who saw the aircraft being hit, after which it fell in flames.

The helicopter, which was flying at low altitude, fell near the garrison of the Panama Defense Forces [FDP] Cavalry Squad, which is under attack by U.S. troops.

The Pentagon itself has admitted that one helicopter was downed during the night near the FDP central headquarters.

EFE Correspondent on Situation in Panama

LD2012201189 Madrid Domestic Service in Spanish 1900 GMT 20 Dec 89

[Excerpts] [passage omitted] [Announcer] We have on the line live from the capital, Panama City, Andre Claret, the EFE correspondent: Good evening.

[Claret] Good evening. Well, the situation is still very confused. On the one hand fierce fighting continues at some barracks on the outskirts of the capital, in particular at the barracks that house the Cavalry Squadron and where the Panamanian forces have just brought down, a few minutes ago, a second U.S. helicopter.

Meanwhile, as for the capital itself, the situation is a little calmer—if you can use this word—in the sense that it was a few hours ago that the Americans gained control of most of the Panamanian military installations.

At the moment the problem is of another kind, you might say: that of beginning to count the victims produced by the fighting and the bombing among the civilian population; and also a problem that is arising in some districts of the city, that of the looting of food shops amid the panic that is spreading among the population, fueled by the fear that it could be left without food as a result of a prolonged confrontation between the Americans and the Panamanians.

[Announcer] Is there any reliable estimate yet of the number of victims?

[Claret] No, there isn't. There are figures that have been offered by the two sides. A few minutes ago the president of Panama admitted that there were 61 Panamanians dead, most of them civilians. The Pentagon has admitted that nine U.S. soldiers have died. We have been at several hospitals where we have been able to confirm that the mortuaries are full of bodies, that there are dozens and hundreds of injured arriving at medical centers—but that does not allow us to give an estimate yet, above all because we have not been able to enter the El Chorrillo district of the city, the district where the most prolonged fighting has taken place. The U.S. military forces have cordoned it off and are not letting either the press or even the Red Cross go in, and this makes it very difficult to make an exact assessment of the effects among the civlian population of the bombing and the fighting. [passage omitted]

Radio Reports 'Enemy Evacuating Area'

PA2012211689 Panama City Domestic Service in Spanish 2040 GMT 20 Dec 89

[Text] To the companeros who are fighting near the general headquarters on Avenue A, we inform you that imperialism, imperialism, the enemy, is evacuating the area to attack positions with heavy artillery, with heavy artillery.

Reports Says U.S. Preventing Aid to Wounded

PA2012213989 Hamburg DPA in Spanish 2046 GMT 20 Dec 89

[Text] Bogota, 20 Dec (DPA)—Medical spokesmen of the Santo Tomas Hospital have accused the U.S. invading troops of preventing ambulances from transiting and providing medical attention to the many wounded in strategic sectors of the Panamanian capital.

Jorge Diaz, medical director of the hospital, told the Colombian radio station CARACOL that the foreign soldiers are firing machine guns at ambulances that are passing though the city.

According to the doctor, the hospital, one of the most important in Panama, has received about 50 dead, while over 100 are recovering from serious wounds.

He said that only six or seven members of the Defense Forces have been taken there; thus most of the victims are inhabitants of low-income areas shelled by U.S. airplanes.

"From the Santo Tomas Hospital, we heard the bomb explosions. Many homes are on fire, because it has been an indiscriminate attack," Diaz said.

Similarly, Alfonso Zamora, DPA correspondent in Panama City, said dramatically to the Colombian station: "We are on the floor." He said the exchange of fire has intensified in various parts of the capital.

Panamanians Held as 'Hostages' by U.S. Troops

PA2012225889 Hamburg DPA in Spanish 2204 GMT 20 Dec 89

[Text] Panama City, 20 Dec (DPA)—Tens of Panamanians who reside in the canal areas of Amador, an area shared by U.S. and Panamanian soldiers, remain as "hostages" of the U.S. troops. It is said that the Panamanians are being held to get the surrender of the "Victoriano Lorenzo" troops who are holding their combat positions.

A resident of the area told DPA on the telephone that the housing units in Amador were searched by U.S. soldiers. He added that he saw five Panamanian soldiers lying on the ground, dead.

The source said that the U.S. soldiers have warned them that they plan to increase their offensive and that they will not be responsible for the consequences.

The Panamania state-run radio station also reported that U.S. soldiers are carrying out a similar operation in the densely populated neighborhood of El Chorrillo located near General Manuel Antonio Noriega's destroyed headquarters. The station added that the "hostages" have been taken to the U.S. bases located along the Panamanian Pacific coast.

Meanwhile, the forces loyal to Gen. Noriega continue to hold 61 U.S. citizens as "hostages."

Dignity Battalions Advised To Save Ammunition

PA2012233589 Panama City Domestic Service in Spanish 2318 GMT 20 Dec 89

[Text] This is a message to the Dignity Battalions. Attention, Dignity Battalions of all the country. Do not waste your ammunition. Dignity Battalions, do not waste your ammunition because the night is long, and we must be ready for the Yankee invaders who are attacking our civilian population.

Five U.S. Helicopters Attack Radio Nacional

PA2112002689 Panama City ACAN in Spanish 2352 GMT 20 Dec 89

[Text] Panama City, 20 Dec (ACAN-EFE)—Radio Nacional, the only media left to the Panamanian authorities, was attacked by five U.S. helicopters at 2340 GMT today, neighbors have reported.

"The helicopter is attacking us again. This is the national resistance network. Our lives for Panama," the station announcer, evidently nervous, said at the time of the attack.

"Dignity Battalions and Committees for the Defense of the Homeland, do not waste ammunition because the struggle is long," the announcer also said. He apologized for his voice, "exhausted after more than 20 hours of continual broadcasting."

"The invading Yankees are in the city and moving toward the interior. Our lives for Panama. The watchword is to defend our sovereignty. Panamanians, resist. The night is ours," he added.

Fifteen minutes after the attack started, and while shooting is heard in the sector - according to civilians living nearby - Radio Nacional continues to broadcast and repeat nationalist marches and calls for resistance.

Radio Nacional Reports Bombing

PA2012233289 Panama City Domestic Service in Spanish 2305 GMT 20 Dec 89

[Text] This is the national resistance network; for Panama, our lives! Panamanians, if this network is interrupted, it does not mean that the resistance has ended. We will continue with the national resistance. We are broadcasting from another geographic area because our studios have been bombed in a cowardly manner by U.S. Air Force helicopters. We have moved to another area to bring to you our signal. We apologize for those changes in reception you may have been experiencing since early this morning; however, we have been moving and have even changed our frequencies. We have been moving around to bring to you this national resistance network.

Attention Panama, attention Panama, from any place in Panama, this is the national resistance network, for Panama, our lives!

Listeners from around the country, if the worst should happen and our signal is lost, it will not mean that the resistance has eneded. We will continue fighting. Down with the empire, down with the U.S. invasion. If this signal is lost, it will not mean that the struggle has ended. The fighting continues in the streets of Panama.

Latin America is with us. This is the national resistance network. For Panama, our lives!

Radio Antennas Destroyed

PA2112012689 Panama City Estereo Rey in Spanish 0103 GMT 21 Dec 89

[Text] Panamanian people, this is Emilio Garzola speaking. Dear, courageous Panamanian people, the tower of the comptroller's office is on fire because Radio Nacional's antennas were located there. We have transferred to various sites to continue informing the Panamanian people and to keep their morale high. Nevertheless, I have been informed that my current location has been detected. I know that they are coming, but as I said before, this resistance is only beginning. If they silence us here, we will emerge again elsewhere. Be alert, stay tuned, and monitor us because we will return to the airwaves. This is what the Dignity Battalions are for, to defend the fatherland's dignity.

DPA Reports on Events in Panama City

PA2112003889 Hamburg DPA in Spanish 0004 GMT 21 Dec 89

[Excerpts] Panama City, 20 Dec (DPA)—While the Pentagon in Washington has said that by tomorrow it would wipe out the resistance to the U.S. invasion, forces loyal to Panamanian leader Manuel Noriega remain in control of the streets in the downtown part of Panama City 18 hours after the beginning of the U.S. offensive.

Isolated confrontations were still taking place in the capital this afternoon between Panamanian militiamen and the U.S. Armed Forces, which have not achieved their objective of capturing Gen Noriega. [passage omitted]

The situation in the Panamanian capital is one of great confusion. Since it was rumored that the pro-Noriega militias would go into action during the night, the people hastened to get what food could be obtained from the few businesses that opened their doors. Simultaneously, the city was besieged by looters who took advantage of the chaotic situation prevailing in the capital of some 1 million inhabitants. [passage omitted]

After the Modelo Jail was shelled, hundreds of political prisoners and common criminals managed to escape. Meanwhile, the pro-Noriega militias maintained control of the centrally located Marriott Hotel. [passage omitted]

Nicaraguan Reportedly Shot to Death in Colon

PA2112135589 Managua Domestic Service in Spanish 1200 GMT 21 Dec 89

[Text] Juan Carlos Lopez Moran, a Nicaraguan, was killed yesterday in the city of Colon when a group of U.S. military men shot at a group of people at the entrance of the Carlton Hotel. They had stepped outside for a moment to get some of fresh air and some food, which was already scarce at the hotel.

Nation Requests Blood, Medicine From Sweden

LD2012213789 Stockholm Domestic Service in Swedish 1700 GMT 20 Dec 89

[From the "Ekot" program]

[Text] The Foreign Ministry of Panama has asked the Swedish Government to give aid in form of blood plasma, medicines and surgical equipment. Hospitals in Panama City are full of wounded people, and we have an acute shortage of medicines and we do not know how we are going to take care of all the injured. This was said by a spokesman of the Foreign Ministry of Panama to "Ekot". The U.S. sanctions against Panama have hit the country hard and today there is a big shortage of medicinal equipment, the Foreign Ministry said.

FDP Officers Request Protection in Colombia

PA2112035789 Hamburg DPA in Spanish 0334 GMT 21 Dec 89

[Text] Bogota, 20 Dec (DPA)—It has been reported in Bogota that eight Panama Defense Forces [FDP] officers have asked the Colombian Government for protection. The request was made in Cali, where the plane on which they were returning to Panama from Buenos Aires was making a stopover. The officers had travelled to Buenos Aires to attend a military training course.

The officers, led by Colonel Rodrigo Garibaldi, decided to remain in a downtown hotel in Cali after they learned of the U.S. invasion against Panama intended to overthrow General Manuel Antonio Noriega.

Col Rodrigo Millan Bautista, commander of the Cali Metropolitan Police, said that the Panamanian soldiers are under heavy guard.

The Colombian policeman added that the FDP officers will remain in Cali as long as they wish.

Vallarino Appointed as Ambassador to UN

PA2112041789 Paris AFP in Spanish 0345 GMT 21 Dec 89

[Text] Lima, 20 Dec (AFP)—The Panamanian Eduardo Vallarino this evening in Lima confirmed that he has been appointed by "the Panamanian Government headed by Guillermo Endara to be its representative at the United Nations."

Vallarino, who resides in Lima, represented Endara at the Group of Eight summit held in Ica, Peru.

According to the local press, Vallarino will travel to Washington in the next few hours to "assume the official representation of the government of the president elected by the Panamanian people, Guillermo Endara."

Embassy in Madrid Condemns U.S Invasion

LD2012205789 Madrid Domestic Service in Spanish 1800 GMT 20 Dec 89

[Excerpts] [passage omitted] In Madrid the Panamanian Embassy has expressed via an official note its most profound and energetic condemnation of the invasion by the U.S. Army of Panamanian territory during the early hours of this morning. This act of force, says the Panamanian Embassy in Madrid, is contrary to the norms of international law and a product of the aggressive policy of the U.S. Administration with its consequent disinformation aimed at creating a climate unfavorable to him [as heard].

In the Ibero-American context this action, continues the note issued by the Panamanian Embassy in Spain, is contrary to the climate of detente and peace which we all seek. At present the invading troops are committing acts of genocide and for this reason the Panamanian government asks the international community for its solidarity in order to put an end to the unrestrained aggression which is being suffered by the people of Panama.

Noriega Regime Envoy on Situation

LD2112093189 Madrid Domestic Service in Spanish 0800 GMT 21 Dec 89

[Text] [Announcer] the announcement of the imminent cessation of hostilities, fighting continues in different parts of the Panamanian capital according to what the Panamanian Ambassador to Spain, Berta Torrijos, who is at present in her country, told Espana a las Ocho:

[Begin Torrijos recording] The situation here in Panama is very sad and distressing since the monstrous aggression of the United States began against our country. There have been very tragic and difficult moments, and at present planes are still flying over the capital, and now and again one can hear a bomb or see a building on fire. What I have to say is that it really is a very sad sight, and we don't understand why our country has been treated like this. [end recording]

[Announcer] In these statements Berta Torrijos also said that General Noreiga continues to be in Panama.

Argentina

Reaction to 20 December U.S. Invasion of Panama

Ministry Communique Critical

PY2012221189 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2105 GMT 20 Dec 89

[Text] Buenos Aires, 20 Dec (NA)—Argentina today expressed its "dismay over the serious events in Panama that represent a clear violation of the internationally time-honored principle of nonintervention," referring to the U.S. intervention in that Central American country.

This position is contained in a communique released during a news conference by Raul Carignano, the Foreign Ministry secretary for Latin American affairs, after several consultations with President Carlos Menem.

Carignano said that Argentina will decide whether it will continue recognizing the government headed by General Manuel Noriega or recognize the Cabinet headed by Guillermo Endara, who is being supported by the United States in the OAS.

Carignano, however, made it clear that thus far "there is nothing clear" over the recognition of Endara's government.

In the news conference, in which he was accompanied by Jose Luis Fernandez Valoni, the under secretary for Latin American relations, Carignano reported that, following a number of consultations currently being made by Fernando Londono, the OAS Assembly president, he will decide whether he will travel tomorrow to attend an OAS consultative meeting on the Panamanian crisis.

Carignano also reported the suspension of a Group of Eight foreign ministers meeting that, in principle, had been scheduled in Bogota tomorrow because the meeting would clash with a possible OAS session in Washington.

Shortly before 1830, The Argentine Foreign Ministry released the following communique on the U.S. military intervention in Panama:

"The Argentine Government expresses its consternation over the serious actions in Panama, which are a clear violation of the international principle of nonintervention and which have caused serious consequences with the loss of human lives.

"Argentina, consequently, reaffirms its traditional position of condemning any action that implies a violation of international laws concerning relations among states, and particularly it condemns those acts that are detrimental to the sovereignty and self-determination of peoples.

"The Argentine Government urges the immediate withdrawal of U.S. forces operating in Panamanian territory, and calls for the prompt reestablishment of democratic institutions in Panama since the presence of General Manuel Antonio Noriega constitutes an unsurmountable obstacle to such a reestablishment, as our country has repeatedly maintained at the OAS.

"Also, the Argentine Government emphasizes the need for strict compliance with the Torrijos-Carter treaties on the Panama Canal, which were signed in 1977, as an indispensable condition for security in this continent."

Vice President: Situation 'Regrettable'

PY2012214989 Buenos Aires TELAM in Spanish 2033 GMT 20 Dec 89

[Excerpt] Caracas, 20 Dec (TELAM)—Argentine Vice President Eduardo Duhalde said in Caracas today that he did not have "enough official information" to given an opinion on the Panamanian situation. He labeled the situation "regrettable," and indicated that "Argentina has always advocated the doctrine of nonintervention."

Duhalde concluded his visit to Colombia and Venezuela with a lunch with Venezuelan President Carlos Andres Perez today. This morning Duhalde met with Venezuelan Senate President Octavio Lepoge and other legislative officials. [passage omitted]

Cavallo Clarifies Bush Call

PY2012161389 Buenos Aires TELAM in Spanish 1517 GMT 20 Dec 89

[Text] Buenos Aires, 20 Dec (TELAM)—Argentine Foreign Minister Domingo Cavallo clarified this afternoon that U.S. President George Bush had informed Argentine President Carlos Menem about the situation in Panama and that "he had not requested support, as some media has erroneously reported."

Cavallo made some brief comments upon leaving Government House, where the diplomatic corps had greeted the chief of state, in which he revealed that the Argentine Government is preparing a communique to outline its position regarding the Panamanian conflict.

Envoy: Situation 'Desperate'

PY2012202589 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1855 GMT 20 Dec 89

[Excerpt] Buenos Aires 20 Dec (NA)—[passage omitted] The Panamanian ambassador to Argentina, Alcibiades Simon Ramos, today presented his year-end greetings to President Carlos Menem and told him [word indistinct] of the events in Panama.

"There are many dead in Panama," the ambassador commented to journalists, adding that he had been told that Argentina "deplores what happened," and "it is going to render all humanitarian assistance possible to assuage a terrible situation."

Simon Ramos reported that up to midday the count is "more than 2,000 dead [as received]," and that the "hospitals are filled with injured." He concluded that the situation is "desperate."

The Panamanian ambassador asserted that "the U.S. aggression has been repelled," although "fighting still continues." He said that "the Panamanian people are fighting beside the government against the U.S. invaders," and pointed out that the people "are armed with whatever we have since we do not have weapons, however, we are requesting them."

When the operations in Panama began, Menem was immediately informed. In the predawn hours he received a phone call from President George Bush, who briefed him on developments.

President Menem held a Cabinet meeting with his ministerial team, then received members from the Salvation Army, presided over the signing of the federal interprovincial system agreement, and kept in permanent contact with Foreign Minister Domingo Cavallo—who kept him informed on developments in Panama.

Nicaragua's Borge Condemns Invasion

PY2012185189 Buenos Aires TELAM in Spanish 1740 GMT 20 Dec 89

[Quotation marks as received]

[Text] Buenos Aires, 20 Dec (TELAM)—Nicaraguan Interior Minister Tomas Borge today expressed "his strongest condemnation of the U.S. invasion of Panama," and demanded the immediate withdrawal of U.S. troops.

During a news conference that he hosted in a downtown Buenos Aires hotel, Borge said that the U.S. invasion means a "threat to peace and security for Latin America and especially for Nicaragua."

He said that the Group of Eight should adopt the decent position of "absolute repudiation" of the invasion, adding that the Nicaraguan Government has expressed its concern over the invasion, that it has ordered the mobilization of troops, and that it has declared a maximum state of national alert".

Borge, who attended the 2d plenary session of the Permanent Conference of Latin American Political Parties (COPPAL), termed the U.S. invasion "criminal." "We are ready for combat and for giving the last drop of our blood in defense of the integrity and sovereignty of our people, which is threatened by that invasion," he added.

Borge said that his government does not want to intensify the war, "but to seek a peaceful solution."

"The problem is not whether to support Noriega; it is something else," Borge said, adding that "this point is beyond all question."

Borge was accompanied by Roque Diaz Borges, foreign affairs secretary of the Venezuelan Socialist Party, and Argentine National Deputies Guillermo Estevez Boero (PSP) [Popular Socialist Party], Miguel Monserrat (People's Intransigent Party) and Justicialist Jose Ramos.

The COPPAL released a communique stating that it has decided "to struggle with all its power to ensure strict compliance with the letter and spirit of the Torrijos-Carter Panama Canal Treaties." The communique reiterates that a Panamanian citizen must be designated administrator of the canal.

Borge Adresses Rally in Buenos Aires

PY2012170389 Buenos Aires TELAM in Spanish 0155 GMT 19 Dec 89

[Text] Buenos Aires, 18 Dec (TELAM)—Nicaraguan Interior Minister Tomas Borge stated today that his country "will not imitate the democracies of which we are considered the archetypes." He said that Sandinism will maintain its "own democracy, yet remain revolutionary."

In a rally staged outside the Congress building by a crowd made up mainly of militants of the Communist Party of Argentina [PCA], Borge harshly criticized the U.S. Government, and called for "the (?revolutionary unity)" of Latin America.

Borge is visiting the country to attend the Conference of Latin American Political Parties [COPPAL]. He attributed the predictions of a collapse of the socialist world to "neo-McCarthyism." He questioned the liberal economic doctrines linked to "the exploitation of man."

Among the politicians present at the rally were PCA leader Patricio Echegaray and his allies in the Broad Liberation Front Nestor Vicente and Lisandro Viale, as well as Deputies Jose Ramos (Justicialist party), Marcos di Caprio (UCR, Radical Civic Union), Alberto Aramouni (Popular Democracy), and Simon Lazara (Unified Socialist).

The political leaders waited for Borge in the auditorium of the Chamber of Deputies, where he was supposed to lecture, but after being introduced there by Peronist Deputy Jose Ramos, Borge surprised those present by inviting them to go out on the street where he delivered his speech to a crowd on Rivadavia Avenue.

On a platform improvised by PCA militants, Borge made a lengthy speech during which he defended the policy implemented by the Sandinist Movement "under the nose of the most arrogant capitalist country." He also made an implicit reference to the guerrilla attack on La Tablada in Argentina last January.

Referring to what he called "the lies of imperialism," he ironically stated that "we Sandinistas are blamed for everything. We are accused of being troglodytes and drug traffickers, and of attacks on foreign military garrisons.

The only things left to blame on us are the San Francisco earthquake and spreading AIDS."

Army Officers' Promotions Announced

PY2012214789 Buenos Aires TELAM in Spanish 0260 GMT 19 Dec 89

[Summary] Buenos Aires, 18 Dec (TELAM)—The executive branch, through decrees promulgated today, has promoted Brigadier General Isidro Bonifacio Caceres, the Army commander, to the rank of major general; Brigadier Generals Pablo Skalany and Martin Felix Bonnet to the rank of major general; Lieutenant Colonels Luis Caceres and Julio Videla Sanchez to the rank of colonel; and Lieutenant Colonel Miguel Sheurer of the Professional Corps to the rank of colonel. These promotions are effective as of 31 December 1988 [as received].

Bolivia

Senate Condemns U.S. 'Intervention' in Panama

PY2112123889 La Paz La Red Panamericana in Spanish 1130 GMT 21 Dec 89

[Text] The Bolivian Senate has condemned the U.S. intervention in Panama and has demanded respect for the international laws on full respect for the principles of sovereignty and nonintervention in the domestic affairs of other states.

Senate President Gonzalo Arza has stated that the self-determination of nations is an essential principle of political coexistence of the international community. This principle has been violated and offended by the thoroughly condemnable attitude assumed by the U.S. Administration.

Speaking on behalf of the Bolivian Senate, Gonzalo Arza said that the U.S. intervention is abusive, and added that the U.S. attack represents an attack on all countries south of the Rio Bravo.

He said that the Bolivian Senate has contacted the parliaments of the Andean and Latin American countries and that the first reactions have already been received.

First, we express our protest over this aggressive and interventionist action, and second, we ask the Latin American parliaments to demand the immediate withdrawal of the military personnel, he concluded.

Zarate Willka Claims Bombing Near U.S. Embassy

PY2112043289 Madrid EFE in Spanish 0345 GMT 21 Dec 89

[Text] La Paz, 20 Dec (EFE)—A powerful dynamite charge today exploded near the American Embassy in La Paz. The police reported that the explosion caused considerable damage to all buildings on the block.

The explosion occurred at 2130 on Thursday [as received]. It damaged windows of the buildings on the block.

Jose Parada Grandy, the Bolivian Police chief, told EFE that an unidentified person stepped out of a vehicle and placed a package in one of the plant pots on Juan de la Riva Street, a few meters from the U.S. Embassy in downtown La Paz.

Parada said: "The vehicle left, and immediately the charge went off, causing considerable damage."

The "Zarate Willka Armed Forces of Liberation," a group with an Indian background, has claimed responsibility for the attack in a communique that was sent to some media.

The note, signed with the initials of the "Zarate Willka" group, states: "In defense of the sovereignty of the Panamanian people. Death to the invader. Our hatred is relentless; our war is to the death."

The "Zarate Willka" group claimed responsibility in August 1988 for the attack against then U.S. Secretary of State George Shultz and the killing of two Mormon missionaries.

Today's bomb explosion damaged the shelves of a book store, the "People's Peruvian Bank," the state bank, the Mariscal Ballivian Building, and other shops—all of which are located near the U.S. Embassy.

After the explosion, a group of U.S. agents called off an investigation at the scene of the incident because some people shouted at them, "Yankees out of Panama."

The U.S. Embassy press attache, Bruce Warton, said today that "it is obviously a despicable action that does more harm to Bolivians than to the U.S. Embassy, because we have suffered no damages."

New 'Religious Sect' Activities Detected

PY2012172589 Madrid EFE in Spanish 0359 GMT 20 Dec 89

[Text] La Paz, 19 Dec (EFE)—Jorge Traverso, the Foreign Ministry under secretary for worship, reported today that Bolivian authorities have detected the presence in the country of a new religious sect. The group is believed to be similar to the Peruvian "Shining Path" guerrilla movement, and an investigation is being conducted.

Traverso stated that this group calls itself the "Followers of Abimael," which leads us to believe that they are related to the "Shining Path," the main leader of which is Abimael Guzman.

Traverso added that this sect has "itinerant pastors," who apparently disappear once their presence is detected.

According to Traverso, this makes the investigations very difficult, because it is not possible to follow their sporadic activities.

He said that the self-styled "Followers of Abimael" had previously acted in districts in the eastern part of the country, but that over the past few weeks they have been seen in the subtropical region of the Yungas of La Paz, 100 km east of La Paz.

Traverso said that investigations of that sect will continue because it is working "outside the law." He said that there are another 200 or so groups in Bolivia, and that some of them will be authorized after the appropriate investigation.

Brazil

Communique Condemns U.S. Actions in Panama

PY2012212989 Brasilia Domestic Service in Portuguese 2100 GMT 20 Dec 89

[Report by Giselle Benites]

[Text] The Brazilian Government this afternoon expressed its position on the Panamanian situation through a communique issued by the Foreign Ministry.

The Foreign Ministry communique reasserts President Jose Sarney's position of condemning the U.S. military intervention in Panama.

In the communique, the Brazilian Government states that in keeping with the legal norms and principles that guide government relations, as established in United Nations and OAS Charters, it rejects the current situation in Panama. It also states that Brazil condemns the use of force to resolve international conflicts.

The note adds that the Brazilian Government urgently appeals for a peaceful and immediate solution to the crisis, based on respect and the principles of self-determination of nations.

December Inflation at 'About 52 Percent'

PY2112000589 Brasilia Domestic Service in Portuguese 2100 GMT 20 Dec 89

[Text] Planning Minister Joao Batista de Abreu said today that the inflation rate in December is already about 52 percent because of food price increases and bad weather conditions.

He added that it will be difficult to predict what the consumer price index will be when the new president is installed. However, he indicated that the government is trying to stabilize inflation. He discarded any possibility that the government will implement new economic measures before the installation of the president-elect. He spoke after attending the meeting of the National Monetary Council in the Finance Ministry.

European Weather Satellite To Move to Africa

PY2112121089 Brasilia Domestic Service in Portuguese 2100 GMT 20 Dec 89

[Excerpt] Brazil will no longer be able to get information from the European satellite stationed above the Marajo Island. The stationary (?Meteosat-3) satellite is located approximately over the Marajo island, at an altitude of 36,000 meters. It provided Brazil with high quality images of the entire South American continent for weather reports. It will be moved tomorrow to cover the African continent.

The satellite belongs to the European organization of weather satellites (?Aemeursat). Brazil will continue to use the images of the U.S. satellite (?GOI-7). [passage omitted]

Chile

Reaction to 20 December U.S. Action in Panama

Government Rejects Invasion

PY2012171789 Santiago Radio Chilena Network in Spanish 1600 GMT 20 Dec 89

[Text] Foreign Minister Hernan Felipe Errazuriz has said that the Chilean Government rejects the U.S. military intervention in Panama. The minister said that Chile respects the principle of nonintervention and, consequently—he went on—we reject the U.S. military operation in Panama. Our policy has been one of respect for international law. The principle of nonintervention, the peaceful settlement of controversies, and the principle of self- determination are now at stake, he stressed.

Errazuriz added that Chile is deeply concerned about the situation in Panama. He said that, since early today, the Foreign Ministry has been in contact with the Chilean Embassy in that country. He said that Chilean Embassy officials, their relatives, and the Chileans who live in Panama are thus far safe and sound.

However, the foreign minister said he has learned that the crisis and armed actions continue in Panama. He noted that Chile laments the loss of human lives and the death of innocent victims, and that our country hopes that this action will end as soon as possible and that the situation will return to normal.

Errazuriz said that Chile expects that Panamanian sovereignty will soon be restored. He lamented that the mediation effort of the international organizations has failed in this case. He added that Chile considers that the efficient operation of the Panama Canal is of primary importance because a great deal of Chilean maritime trade passes through the canal.

We hope that freedom of transit will be guaranteed, because we are afraid that the incidents in Panama may

obstruct that route—thus curtailing freedom of trade and hindering compliance with the treaties on the canal, the minister concluded.

CPPD Condemns U.S. Use of Force

PY2012230289 Santiago Domestic Service in Spanish 2200 GMT 20 Dec 89

[Text] The CPPD [Coalition of Parties for Democracy] has condemned the use of force and all forms of intervention to resolve national or international political differences, referring to the U.S. invasion of Panama.

A declaration made public by CPPD press spokesman Jaime Moreno, said that the situation in Panama goes against the principles of coexistence among member states of the inter-American system. It pointed out that the CPPD has opportunely expressed its support for the Panamanian people's aspiration for free and clean elections, for respect for human rights, and for a rapid and effective transition to a democratic regime. The declaration condemned the use of force and all forms of intervention that are contrary to the national democratic tradition and the recent experience of the Chilean people.

It adds that this crisis forces Latin American governments to face the need to act jointly in defense of democracy and nonintervention. Pananmanian sovereignty should be guaranteed, as should strict compliance with the Panama Canal Treaties, the signing of which was formalized before the chiefs of state of the region.

PDC Issues Communique

PY2012235289 Santiago Radio Cooperativa Network in Spanish 2200 GMT 20 Dec 89

[Text] The Christian Democratic Party [PDC] has condemned the U.S. intervention in Panama.

In a communique released by the PDC International Relations Office, the PDC points out that this action violates the rules of international coexistence established in the UN and OAS Charters.

The PDC has never believed that the military intervention of a superpower would help solve political conflicts of other countries.

In due time, the communique states, the PDC has condemned the outrages of the regime imposed by General Noriega.

We regret, the communique adds, that the international community—especially the inter-American one—did not implement the necessary collective means to ensure that the human rights of the Panamanian people will be respected, especially the right to choose their governors.

The communique concludes by stating that the full restoration of Panamanian sovereignty as soon as possible and the guarantee that the canal treaties will be respected must now be the indispensable basis for the restoration of a democratic regime in that country.

Polish Officials Arrive To Study Economic Model

PY2012174389 Santiago Domestic Service in Spanish 2200 GMT 19 Dec 89

[Text] Poland is interested in the economic model that has been developed in Chile over the past few years.

(Jasec Korpala) and (Jasec Chododok Durok), both officials of the Finance Ministry Private Affairs Under Secretariat have come to Santiago to study the Chilean economic model. They will stay in Chile for about 2 weeks during which time they will study the social economic model and the important achievements, especially in the export sector, that this plan has achieved.

These Polish experts will begin their research in the Santiago Public Studies Center.

Colombia

Government Issues Communique on Panama

PA2112015289 Paris AFP in Spanish 0108 GMT 21 Dec 89

[Text] Bogota, 20 Dec (AF)—The Colombian Government today expressed its "deep concern" over the military actions in Panama. However, it admitted that Gen Manuel Antonio Noriega has created a climate of "continental turmoil."

President Virgilio Barco's government claims that [words indistinct] in the countries' domestic affairs. However, it acknowledges that Noriega did not respect the Panamanian people's right to self-determination.

Further on Communique

PY2112005089 Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 21 Dec 89

[Text] Tonight the Colombian Government released a communique through the Foreign Ministry expressing its concern over the actions of the U.S. Forces in Panama.

The Colombian Government reiterates that Panama must have a legitimate and stable government in order not to become a threat to democracy on the continent.

FARC Guerrillas Reject U.S. Action in Panama

PA2012234389 Panama City ACAN in Spanish 2242 GMT 20 Dec 89

[Text] Panama City, 20 Dec (ACAN-EFE)—The Revolutionary Armed Forces of Colombia (FARC) today issued a communique in Panama in which they call on "all the guerrilla fronts and the Colombian people to mobilize and express, in every possible way, their rejection" of the U.S. military intervention against Panama.

The communique, read over the telephone for ACAN-EFE, adds that "the invasion by U.S. forces against the Republic of Panama clearly shows the world that Yankee imperialism has not lost its aggressive and interventionist nature."

"Today they massacre the Panamanian people using ridiculous and groundless excuses. Against which of our peoples will they direct their bombs, tanks, and soldiers next?

Ecuador

Government Condemns U.S. Action; Blames Noriega

PA2012211889 Hamburg DPA in Spanish 2029 GMT 20 Dec 89

[Text] Quito, 20 Dec (DPA)—Ecuador today condemned the U.S. military forces' action in Panama, which it described as a "flagrant violation of international principles," but said that it was General Manuel Noriega's "undemocratic stubbornness that caused the situation to deteriorate to this point."

In a communique read by Foreign Minister Diego Cordovez, who was head of the OAS mission that tried unsuccessfully to mediate in Panama's political crisis, the Ecuadoran Government demanded an immediate end to the "foreign intervention" and "full respect for Panamanian integrity and sovereignty."

However, the Ecuadoran Government considered it "absolutely necessary" that a "democratic regime" restore institutional normalcy in Panama and guarantee respect for the Torrijos-Carter treaties.

After a private meeting with President Rodrigo Borja, Cordovez reiterated the official offer to participate in any negotiating efforts that might be initiated "to resolve the conflict in Panama."

By mandate of the assembly of OAS foreign ministers, in May and August Cordovez headed efforts to find a negotiated solution to the crisis generated by the regime's annulment of the 7 May elections, presumably to prevent what was announced as a clear opposition victory.

"Intensive efforts were made to prevent the conflict that has exploded today," Cordovez said. He reiterated his "broadest willingness" to "continue supporting the search for a nonviolent solution."

Crisis 'Regrettable'

PY2012203989 Quito Voz de los Andes in Spanish 1730 GMT 20 Dec 89

["Interview" with Congress President (Wilfrido Lucero Bolanos), by Raul Zambrano; place not given—recorded]

[Text] [Zambrano] Mr (Bolanos), as president of the Ecuadoran Congress and as a leader of the Andean Parliament, what is your opinion or evaluation of the dramatic situation in our sister Republic of Panama?

[(Bolanos)] The crisis in Panama is regrettable [words indistinct] of the events in that sister nation. I have been saying for some time that I believe that two serious events were taking place in Panama. The first was the threat to Panamanian sovereignty by the United States, which is now a fact because the principle of nonintervention in the internal affairs of other countries has been violated. This is a principle which must be preserved in all cases, especially in the cases of small countries which can become victims of attacks by foreign powers. I have also indicated that in Panama there is another problem; the Noriega problem. This problem does not allow democracy to function in Panama. This serious problem lead to the annulment of the elections, probably because the government officials were not satisfied with the electoral results. The annulment showed that the electoral results were not favorable to the government and that the opposition won, and this is why the election was annulled.

We must be clear and objective in our statements. We must say that the two situations should be condemned, both the intervention of a sovereign power—like the United States in the internal affairs of Panama, which unfortunately occurred this morning—as well as the attitude of General Noriega, who has not allowed Panama to live in democracy. We all know that Noriega put in and kicked out presidents as he wished and this lead [words indistinct] Noriega becoming the supreme chief of Panama and annulling the elections a few months ago.

The Panamanian situation now [words indistinct], and this is how the Andean Parliament has reacted. I know that there are divided opinions in other parliaments. This is my own personal opinion, and I am saying it publicly because I am convinced that there are two serious problems. One is the threat to Panamanian sovereignty, which was already violated by the United States. This action deserves our rejection because it is the intervention of a foreign power in Panamanian internal affairs, and the other is the Noriega problem which does not allow Panama to live in democracy. [end recording]

Paraguay

Response to U.S. Military Action in Panama

Government Condemns Use of Force

PY2112021889 Asuncion Radio Nanduti in Spanish 0113 GMT 21 Dec 89

[Telephone interview with Foreign Minister Luis Maria Argana at the Foreign Ministry in Asuncion with a Radio Nanduti reporter—live]

[Text] [Reporter] Foreign Minister Luis Argana is on the line. Good evening, sir.

[Argana] Good evening. How are you? My greetings to you and to your audience.

[Reporter] Mr. Argana, do you have a Paraguayan Government statement in hand?

[Argana] Yes, I do. In view of events in Panama, the government headed by General Rodriguez has issued the following declaration:

The Paraguayan Government has received with great consternation the news that the U.S. military in Panama has resorted to the use of force.

In view of this, as is established in the Paraguayan Constitution and in the UN and OAS Charters, Paraguay reasserts the need to respect and uphold the principles of nonintervention in the domestic affairs of other countries and the self-determination of peoples. Consequently, Paraguay, which condemns the use of force to solve conflicts, urges the parties involved to seek an immediate and peaceful solution in line with the principles established in international laws. In addition, it urges the Panamanian people to find its destiny within the framework of freedom and democracy, which have been ignored by the Noriega regime.

That is all.

[Reporter] Mr Argana, can we say then that the Paraguayan Government repudiates the U.S. invasion of Panama?

[Argana] I urge you to strictly adhere to what is said in this statement. You have heard what I have just said. This statement reflects the Paraguayan Government's opinion. Everyone may interpret it as he wishes.

[Reporter] When did you draft this statement?

[Argana] Right now. We have just finished drafting it.

[Reporter] Are you at the Foreign Ministry?

[Argana] Yes, I am.

[Reporter] Is General Rodriguez also there?

[Argana] No, General Rodriguez is not here.

[Reporter] You are alone?

[Argana] Yes, of course.

[Repoorter] If I understand correctly, this statement will be made public.

[Argana] We have faxed it, and it has already been released to the press.

[Reporter] What is the Paraguayan Government's position regarding Manuel Antonio Noriega?

[Argana] Well, I think I just read [words indistinct]. The Paraguayan Government has issued a written statement to avoid any misinterpretations and confusing situations.

[Reporter] I understand. We just wanted to explain this issue further.

[Argana] Yes, but it is best to avoid any distortions because this is a very delicate issue that deals with Paraguayan foreign relations.

[Reporter] Thank you very much. But before you leave, what are your views on issues in neighboring countries like the election of Collor de Mello as president of Brazil? Latin America is involved in a democratization process. Do you think this situation may delay the Latin American democratization process?

[Argana] No, no. I do not think this affects Latin America at all. We are independent countries. We are sovereign countries. Freedom has been reasserted in Brazil and Chile, and Latin American democracies will not be affected by an incident in Central America, which, however regrettable it may, will not alter the Latin American situation.

[Reporter] Latin American integration is still in force?

[Argana] But of course, it is still in force and with more strength than ever.

[Reporter] Thank you very much.

Rodriguez Views Violence

PY2012211289 Asuncion ULTIMA HORA in Spanish 20 Dec 89 p 8

[Text] "We regret that young lives have been lost, but I am not informed on the real situation in Panama. We have to carefully study what is taking place there."

This is how President Andres Rodriguez reacted when reporters asked him about the U.S. invasion of Panama.

General Rodriguez added: "We will attend any meeting that may be summoned, because we are members of the Inter-American Reciprocal Assistance Treaty (TIAR), because we made a commitment to the TIAR, and because Paraguay must take a position on this issue."

When informed that the Panamanian Government had summoned an OAS meeting to discuss the Yankee invasion, President Rodriguez said: "I am not aware of this meeting. It will be up to the foreign minister to brief me about this meeting. Nevertheless, before issuing our position on this conflict, we will have to be informed about the real situation."

Foreign Minister Without Opinion

PY2012153289 Asuncion Cerro Cora Sistema Nacional Television in Spanish 1505 GMT 20 Dec 89

[Excerpt] Foreign Minister Luis Maria Argana has made a statement on the U.S. invasion of Panama:

[Begin recording] [Argana] It is a problem that calls for careful study. I don't want to venture any opinion on the subject because you know that the OAS council—or perhaps the UN Security Council—might be convened in view of the seriousness of the situation. In that case, we may have to attend the meeting, and we will need instructions from the president. The Constitution provides that the chief of state will manage the country's foreign affairs. I, therefore, cannot give any personal opinion before listening to the president's opinion on the subject.

[Reporter] This is something totally new, an action that is a regressive step for the inter-American system.

[Argana] Without a doubt, it is something new. [passage omitted] [end recording]

PL Calls for Recognition of Endara

PY2112025189 Asuncion Radio Nanduti in Spanish 0125 GMT 21 Dec 89

[Liberal Party communique read by telephone by party representative Dr Garcia from undisclosed location—recorded]

[Text] [Reporter] Dr Garcia, good evening.

[Garcia] Good evening. I wanted to read a Liberal Party [PL] communique regarding the events in Panama.

In view of the publicly-known events in the sisterly Republic of Panama, the PL directorate states the following:

1. This is a conflict between two OAS member countries closely linked by multiple ties and bilateral treaties and interconnected with the other countries on the continent by multilateral treaties that must be observed by all of them, including Paraguay.

2. Because of close interrelationships among our country, the United States of America, and Panama, the government of the Republic of Paraguay should take a position on this matter. We understand that this will not violate the principle of self-determination of the peoples or the principle of nonintervention in the domestic affairs of sovereign countries.

3. If we take into account that the United States of America, our partner and ally for the past 100 years, today asked the president of the Republic to recognize the new Panamanian Government that was legally elected in May 1989 by the majority and sovereign will of the Panamanian people—a will that was thwarted by an unscrupulous dictator who whimsically annulled the elections because they went against his personal interests and thus flagrantly violated the international legal order and the legal order of his own fatherland, we believe the time has arrived to express our solidarity with those who granted us their immediate support in a similar situation in February 1989.

4. The PL directorate would be pleased to see our country recognizing without delay the restored Panamanian Government as evidence that beginning with 3 February 1989 [words indistinct] with a concrete gesture and not mere speeches.

5. Our Paraguayan and liberal faith in democracy for all the peoples of the earth support this respectful petition to the president of the Republic, Army General Andres Rodriguez.

Asuncion, 20 December 1989.

That is all.

Panamanian Ambassador Condemns Invasion

PY2012155889 Asuncion Radio Primero de Marzo in Spanish 1430 GMT 20 Dec 89

[Passages within quotation marks recorded]

[Text] Panamanian Ambassador to Paraguay Augusto Villareal has analyzed the current Panamanian crisis resulting from the U.S. invasion of that country. We are very much concerned, Ambassador Villareal said. He added that he received the first unofficial report on the invasion at about 0400 this morning.

[Villareal] "I have received no official report, but, from the news on the international cables and press agencies, I can say that a group of Panamanians is still defending our national sovereignty and territory. I condemn this invasion; it violates all international laws and will cause many deaths. We regret the deaths of many innocent people as a result of this invasion."

We pointed out that the Bush administration claims that there is a clause in the Panama Canal Treaty that authorizes the U.S. Army to intervene in Panamanian affairs, as it finally did early this morning.

[Villareal] "This clause refers to an imminent danger threatening the normal functioning of the Panama Canal. This is not now the case. The canal is functioning normally; it is not under any type of threat, and U.S. civilians in Panama are not being threatened, either. The incident that apparently caused the invasion was an accident. It does not justify this invasion."

Guilllermo Endara, who was elected president in the last Panamanian election, yesterday declared himself president. We asked the ambassador whether this creates confusion for the Panamanian people.

[Villareal] "I do not believe that this will create any confusion. This gentleman's desire to be the Panamanian president has been contradicted by the Supreme

Court ruling that declared the elections void. This gentleman should have waited for an appropriate moment to again run in elections. If there is any confusion, it is being created by him and the Americans."

The decision to grant General Antonio Noriega absolute power in the country may have triggered this invasion. Commenting on this possibility, Ambassador Villareal said:

[Villareal] "According to reports I have received and my own experience, representatives of the [words indistinct] asked Gen Noriega to become the president, as General Torrijos had been in the 1960s. This request was made to protect Gen Noriega, who had been openly threatened by the United States. It was no secret that the U.S. Government had been willing to invade the country, as it finally did, that it was willing to violate our sovereignty, to interfere in our domestic affairs, and to oust a person who did not agree with their decision to retain control of the canal beyond the period established in the treaty."

We asked the ambassador how this invasion harmed the political position of the United States in Central America. He answered:

[Villareal] "I believe that the political cost will be great, because all the Central American countries and the other Latin American countries will identify themselves with Panama. They will realize that the U.S. Government acts according to its own interests and needs and reacts like this whenever the situation does not suit its interests."

Split Within Colorado Party Reportedly Overcome

PY2012174989 Asuncion ABC COLOR in Spanish 16 Dec 89 p 4

[Text] Almost all the members of the Colorado Party Executive Board that was elected on 1 April held a session on 15 December to discuss two topics proposed by Miguel Angel Gonzalez Casabianca: an analysis of the national policy and an analysis of the situation within the Colorado Party. Gonzalez Casabianca is a leader of the MOPOCO [Colorado Popular Movement] and a member of the Colorado Party Democratic Faction Coordinating Council.

Angel Roberto Seifart and Dionisio Gonzalez Torres [members of the Colorado Party Executive Board] curiously did not attend the session.

The Colorado Party Executive Board approved a draft resolution submitted by the Democratic Faction of the Colorado Party which outlines the position of the Colorado Party Executive Board regarding the incidents that occurred at the Itaipu dam site, where two strikers died following a military repression that took place on 12 December.

The document explains the position and includes a 5-point resolution that was approved after a little modifications. These modifications were proposed by a commission made up of Miguel Angel Gonzalez Casabianca, Luis Maria Argana, Atilio R. Fernandez, Oscar Facundo Insfran and Marina Aquino de Ortiz [members of the Colorado Party Executive Board].

Finally, a party internal democratization work plan was unanimously approved. This work plan provides for a membership survey, new enrollment, election of new members at all Colorado Party precincts, special session to amend the party statutes—in keeping with the statutes of the political parties—which would be approved by the National Congress, and to call for the election of a new Colorado Party Executive Board.

It emphasized the effort made by Colorado Party leaders to hold the session in an atmosphere of tranquillity that was only disrupted by a confrontation between Lovera and Vasconsellos, members of the Dissenters Faction of the Colorado Party and by the participation of members of the San Lorenzo and Ciudad del Este Colorado Party Precincts, who criticized the court resolution that annulled the convention of the Orthodox Faction of the Colorado Party. They asked the Colorado Party Executive Board to meet the Colorado people's demands.

The dates on which the topics included in the work plan will be thoroughly discussed will be established during a special session at 1700 on 18 December.

Most of the leaders who delivered speeches at the session expressed the need for the Colorado Party Executive Board to be subjected to a self-criticism to avoid the same mistakes that led the Colorado Party to the current crisis.

They also admitted that the problems affecting the Colorado Party are insignificant compared to the country's serious social problems.

Colorado Party President Juan Ramon Chavez has admitted that controversies are normal within a political group, but said that "no Colorado Party member has the right to tarnish the prestige of the party." Concerning the document released to the public on the events in Itaipu, he said that he does not support any sector and that he does not want to offend anyone. "The mistakes made in Itaipu cannot be attributed to the government," Chavez said.

Miguel Angel Ramirez, a Colorado Party Ethical Faction member, stressed that "we cannot analyze anything without considering past errors and offenses."

Lovera asked the Colorado Party Executive Board to ensure that the names of those responsible for the tragedy in Itaipu be included in the terms of the resolution. He said: "The voracious bourgeois employer for whom money is the only idol is the one responsible for the death of the Itaipu workers. Therefore, I propose the need to implement a social pact."

Julio Cesar Vasconcellos [member of the Colorado Democratic Action] replied that the immediate causes should be analyzed to understand what happened at Itaipu.

Vasconcellos charged the strikers' leader Efigenio Lisboa, Gerardo Lopez, and Nicolas Russo with being the agitators who provoked the incidents that ended with the murder of two strikers. Lisboa, Lopez, and Russo are members of the MOPOCO leftist wing, Vasconcellos said.

Concerning Vasconcellos' remark, Lovera said that it is not strange that Vasconcellos is still using the same vocabulary that was used during former President Stroessner's regime to rebuke our country's social fighters. He added; "Vasconcellos is a fanatical sectarian spokesman. Those who think like him were the ones who praised the dictatorial regime."

Polish Union Leader Calls Workers' Death Murder

PY2012182589 Asuncion ULTIMA HORA in Spanish 16 Dec 89 p 24

[Text] Commenting on the recent incidents that occurred in Itaipu, Bohdan Cywinski, a leader of the Polish "Solidarity" labor union has said: "In my opinion, the two workers who died during the Itaipu Dam incident were the victims of a political murder. How else can we classify their deaths? First, the strike was declared illegal. Next, the striking workers' labor union was not recognized by the government, and, finally, the two workers were killed. Of course this was a political crime."

Cywinski made these comments shortly before leaving for his country. He added: "One of the policemen said he fired at the worker believing that he was heading the strike. Well, if a policeman says that about a murder, we must admit that this was a political crime."

A few days before this regrettable incident, Cywinski had visited the workers' encampment to express his solidarity with them. Informed of the clash between the workers and the joint forces (police and military), he returned to the encampment. There, he condemned the murder of the two workers and promised to personally charge the uniformed men with their murder "at international political forums."

Commenting on the political process being experienced in the country, he said that the country has evidently changed. He added: "I believe, however, that to have a real democracy it is essential to have a civilian administration. A military government will always handicap the establishment of a real democracy."

He also said that the establishment of real democracy in a country depends on more than just the type of government to be established in that country. "The way the people think has a great influence in the process of establishing a real democracy," he said. Cywinski was in Paraguay for 8 days at the invitation of the National Workers Federation (CNT). During his stay, he held talks with several Paraguayan officials. Commenting on these talks, he said: "I believe that some officials, like the labor minister and the Supreme Court of Justice members, want to democratize the country, but do not know how to control the social problems. They cannot control the situation."

Itaipu Workers Return After 17 Days

PY1912132089 Asuncion ABC COLOR in Spanish 19 Dec 89 p 11

[Excerpt] The workers who went on strike at the Itaipu Binational hydroelectric plant returned to work as usual on 18 December. The strike went on for 17 days with the workers demanding that the claims were approved on 6 August 1989 be implemented. The construction enterprises claimed that the arrangements had already been put into effect.

The striking workers decided to return to work after signing an agreement with the construction enterprises. General Humberto Garcete, commander of the I Army Corps, acted as a mediator during the negotiations. [passage omitted]

Peru

Reaction to U.S. Military Action in Panama

Communique Released; Garcia Remarks

PY2012185089 Lima Television Peruana in Spanish 1640 GMT 20 Dec 89

[Government communique read by President Alan Garcia; followed by question and answer session with unidentified reporters; at the Government House in Lima—live]

[Text] [Garcia] Messrs journalists:

In view of the current serious situation caused by the invasion of Panama by U.S. troops, the government of Peru is releasing the following communique:

1. The government of Peru energetically condemns the invasion of Panama by U.S. military troops. This action is a rape of Latin America; it violates the principles of the United Nations and of the OAS. It reproduces the most grotesque practices of imperialism, thus seriously injuring relations between the United States and Latin America.

2. Peru was one of the first countries to condemn Manuel Noriega's dictatorship and to support the leaders of the democratic opposition of Panama, but it does not and will not acknowledge that the United States has any right to impose new authorities with the support of the weapons of its invading army.

3. Peru charges that the imperialistic action that has been perpetrated in Panama under the pretext of restoring democracy has the blatant purpose of not complying with the 1977 Panama Canal Treaty, by imposing a docile government that will allow military bases to

remain in Panama for the purpose of carrying out permanent threats against the continent, as is their current use.

4. The government has recalled the Peruvian ambassador in Washington, and he will remain in Lima until the invading troops have been withdrawn from Panamanian territory, and it expresses its solidarity with the Panamanian people, who alone must resolve their problem by exercizing their sovereign and democratic will.

5. The Peruvian Government laments that under these conditions all types of consultation or summit meetings—such as the summit that is scheduled to discuss drugs, that includes the state that has attacked Latin America—must necessarily be postponed.

In addition, at this time we are in consultation with the presidents of the chambers of Congress to see if Congress can be called into extraordinary sessions with the sole purpose of evaluating the very serious situation that has been generated by the invasion of the Republic of Panama by foreign troops.

This is the position of the Peruvian Government.

Do you have any questions?

[Reporter] Have you contacted any other Latin American presidents?

[Garcia] We are in consultation regarding the attitude that each Latin American country will adopt. However, we cannot wait to agree on positions or to seek collective formulas that could be linked to a categoric declaration of the Peruvian Government in the defense of the sovereignty of Latin America.

What has happened in Panama has taken us back decades in the history of Latin America. We never expected President Bush's government to carry out an act of aggression of this magnitude against Latin America.

[Reporter] Will there be a meeting of the Group of Eight?

[Garcia] We are consulting to see what attitude will be adopted and how harsh the condemnation will be. All sovereign Latin American countries must condemn this action. In this case no one can become an accomplice of imperialism.

[Reporter] What answer could Peru receive [words indistinct] with this communique?

[Garcia] We have been consistent in our policy for the sovereign defense of Latin America. Peru was the first country to energetically condemn Manuel Antonio Noriega's dictatorship. It was the first country in Latin America to raise its voice of condemnation, and we received the leaders of the opposition and the winners of the elections that were annulled this year. But this does not mean to say that we can support with our silence this totally aggressive and criminal attack against Latin America.

Panama City has been bombed. Panama City has been besieged, and its airspace is dominated by U.S. helicopters. There are 24,000 men in Panama City, and they are trying to subdue the population.

We call on all Latin American governments to express their condemnation and repudiation. The country that does not do so completely and categorically will fall into the miserable and servile role of an accomplice to an imperialistic aggression.

[Reporter] If this aggression continues, Mr President [words indistinct]?

[Garcia] We are withdrawing our ambassador; we have recalled him. He will remain here until U.S. troops withdraw from Panama.

The foreign minister is going to call in the U.S. ambassador to inform him of our attitude toward these events, and the U.S. Embassy will take the appropriate measures.

We also believe that now it is fundamental to revise and denounce the TIAR [Inter-American Reciprocal Assistance Treaty], something that was not done during the Malvinas War. The TIAR establishes military relations between our countries on an equal basis so that we can help in the case of common aggression. There cannot be reciprocal assistance when a country, the most powerful and important, attacks a small Latin American country in this way.

[Reporter] [Question indistinct].

[Garcia] We are surprised and sad to see that he who had the election and the sovereign will in his favor now has to use the weapons of a foreign power to obtain power. It is sorrowful, and if the circumstances [word indistinct], as has already been charged, that he was sworn in on a U.S. base with this so-called new Panamanian Government, then we regret that he has become a traitor by using weapons of a foreign power to enforce his mandate.

[Reporter] What is the TIAR's [words indistinct] within the OAS situation?

[Garcia] [Words indistinct] all these collective mechanisms and institutions are questioned. We hope that the institutions and mechanisms of consultation and agreement will not serve as delaying instruments, thus supporting with the passing of time what is now happening in Panama. We are fully aware that there are dozens—even hundreds—of victims, because the assault against the main garrison that is based in the Chorrillos sector, which is a very populous sector, has meant the death of many civilians. All Peruvians, no matter which political party they belong to, will energetically condemn this violent imperialistic action that places Latin America's sovereignty in danger.

Thank you very much.

Garcia Reiterates Rejection

PY2112040089 Lima Television Peruana in Spanish 0100 GMT 21 Dec 89

[Excerpts] [passage omitted] In Barranca District this afternoon, President Alan Garcia reiterated his rejection and the Peruvian people's condemnation of the invasion of Panama by U.S. troops.

The head of state described this action as an act of robbery and piracy. He noted that this represents aggression not only against the Panamanian people, but against the sovereignty of all Latin America.

Garcia said that this insult and outrage against sovereign peoples cannot occur on the threshold of the 21st century.

[Begin Garcia recording] A dramatic event is shaking all Latin America at this moment. Beginning early this morning, the invading forces of the United States of America have penetrated and intervened in Latin American territory in Panama.

For this reason I am arriving late—because, beginning early this morning, we are witnessing an astonishing act of imperialist robbery and piracy that is tarnishing the sacred soil of Panama and Latin America. [passage omitted]

We are just Latin Americans. If a Latin American is offended and attacked, then we are all offended and attacked. And you, the Huanca peasants, must know that in Panama in the [words indistinct] there are also peasants who are now the victims of the U.S. invasion. And we must stand up to rescue [words drowned out by cheers and applause] [passage omitted on history of Panama]

Seventy years elapsed before General Omar Torrijos managed to sign an agreement with President Jimmy Carter for the Panama Canal to be turned over to Panamanian sovereignty. Since that 1977 treaty, however, many things have happened and efforts have always been made to prevent the canal from being returned to Latin America.

They do not want to leave the canal zone where they have their troops, their airplanes, and their bombs to threaten the continent and tell all of us that if we do not behave well they can invade us at any moment. [passage omitted]

I cannot accept what was done this morning when the new president of Panama was sworn in on a U.S. base in the canal zone. The Americans do not have the right to say who is going to govern in Latin America; only the Latin American people have the right to decide their destiny. [applause and cheers]

In the last 14 hours, 24,000 men and more than 100 combat vehicles have entered Panama City, and the helicopters have attacked the military installations adjacent to the civilian zones. We have been told that hundreds have been killed. As president of Peru, as a chief of state, and as a representative of the poor peasants, I cannot silence our protest. I cannot silence our condemnation. [passage omitted]

I call on the Latin American people; I call on the youth of Latin America in the face of this imperialistic attack. We cannot remain silent. We can be poor, we may have problems, but we are dignified people, we are free, we are sovereign [drowned out by applause]. [end recording]

Alva Castro Repudiates U.S. Action

PY2112130489 Lima Domestic Service in Spanish 1200 GMT 21 Dec 89

[Excerpts] American Popular Revolutionary Alliance [APRA] presidential candidate Luis Alva Castro has condemned and repudiated the U.S. intervention in Panama, and said that the Latin American problems must be solved within the framework of each country's autonomy:

[Begin recording] [Alva Castro] [Words indistinct] we condemn and repudiate this act that violates the sovereignty of a brotherly nation such as Panama. We condemn, repudiate, and reject the U.S. armed intervention in Panama.

We have repeatedly said that the people must make their own decisions freely and independently. The citizens of each country must decide their own destiny. (?We cannot agree) that a stronger nation can use force and weapons to invade a country such as Panama under the pretext of imposing a certain criteria or opinion.

[Words indistinct] must be condemned, rejected, and repudiated by all Latin American peoples and nations.

[Reporter] (?What is the Peruvian Government position)?

[Alva Castro] We have adopted an extremely clear position. The [word indistinct] foreign minister has also voiced his rejection of this dictatorship. We have never supported the dictator, who is now (?being sought). [Words indistinct] that the Panamanian people have democratically chosen. [passage omitted]

We have always followed an anti-imperialistic position and have always defended it. We have supported and preached the anti-imperialistic principles inherited from Haya de la Torre, and will continue to defend the sovereignty of brotherly nations, such as Panama.

Latin American sovereignty has been violated by this U.S. invasion. This requires legal investigation in which the political forces not only express their points of view but also offer other alternatives. The (?solution) can be found by a mixed commission [words indistinct] to seek the support of other nations and other parliaments [words indistinct] the will and the purpose of promoting

a real Latin American integration that will function through a political agreement among the people's democratic, anti-imperialistic forces that must [words indistinct] this difficult moment being experienced by the Panamanian people. [end recording]

Interview With Panamanian Envoy

PY2012210989 Lima Television Peruana in Spanish 1800 GMT 20 Dec 89

[Text] The Panamanian Charge d'Affairs in our country, Jaime Cerda, did not [as heard] make an urgent call to all Latin American people to repudiate the U.S. intervention in his country.

[Begin recording] [Cerda] We definitely call on the world, on the conscience of the world, to end this situation.

[Reporter] It has been said that the Torrijos-Carter treaty could be one of the main reasons for this conflict that has been brewing for some time between the U.S. Government and the Panamanian State. Do you believe, as a citizen, that there is a short-term solution to this conflict?

[Cerda] That would depend on the good faith of the U.S. Government toward Panamanians. I believe that no people, no man, independently of what he may think of the governments, can agree with this type of intervention by the world's most powerful power directed against a small people who do not have the resources to confront the military might of the United States. According to international press agencies reports, civilians are being killed. There are many militiamen who are fighting the U.S. soldiers. I reiterate my call to the people of the world, on the Latin American people, on our Peruvian brothers to declare themselves against this act of aggression that cannot be tolerated by free nations.

[Reporter] In Panama, where are the clashes taking place?

[Cerda] In Panama City. International press dispatches have mentioned this.

[Reporter] What is the social cost so far? Is there some estimate?

[Cerda] Well, international dispatches speak of 50 dead, mostly civilians. From the Santo Tomas Hospital, which is a public health hospital, there has been no information on the number of people that been given medical attention, nor from other hospitals.

* Analysis of Democratic Front Coalition

* AP Member Interviewed

90ET0046A Lima QUEHACER in Spanish Aug/Sep 89 pp 35-42

[Interview with Jaime de Althaus by Humberto Campodonico: "No Copies"]

[Text] Perhaps the only thing that the main forces that will by vying for power in 1990 have in common is their determination to change Peru from the ground up. The left no longer has a monopoly on the word revolution. The main leaders of Fredemo [Democratic Front] are also talking about revolution, above all the ones who belong to the "Liberty" Movement, which is headed by Mario Vargas Llosa. We therefore think that our readers would be interested in a discussion, which we begin in this issue, of the major projects that are vying to rebuild the Peruvian State. We start with the project that Fredemo embodies.

Jaime de Althaus, the chief of EXPRESO's editorial page, is undoubtedly one of Fredemo's most prominent and combative ideologues. His membership in Popular Action (AP) does not prevent him from embracing, or from qualifying, the most advanced tenets of a decidedly non-AP doctrine on a capitalistic rebuilding of the Peruvian State, a doctrine whose main political standard-bearer today is Mario Vargas Llosa. In the following interview, which he gave to Humberto Campodonico for QUEHACER, he addresses with his accustomed forthrightness and lucidity, although no doubt with excessive optimism, the issues involved in the belated capitalist revolution that he is forecasting for Peru.

[QUEHACER] In your view, what are the origins of the current crisis of the Peruvian State?

[Althaus] I think that the current crisis of the State stems from the crisis of the development strategy that the country has followed for the past 3 or 4 decades. In my judgment, the current crisis is not one of the oligarchic State but of the State that was set up to pursue the industrialization strategy of import substitution. This is the State that has reached total crisis, because in order to pursue this strategy it had to increasingly replace the private sector and intervene, but by doing so it also kept on undermining its own economic and social underpinning. So it wound up being a State in a vacuum, without a social, material, or economic base.

Moreover, it promoted a development model in which a protected industry sold to the domestic market without buying anything from it. It encouraged an industry that wound up consuming, devouring its own market. Furthermore, it generated a set of institutions that prevented the development of a domestic market, or a market, period. So at present we have a State that has neither producers who pay taxes to defray its expenditures (for which reason it is an intrinsically deficit-ridden State) nor, from a political standpoint, free and responsible citizens who sustain it as a democratic State.

[QUEHACER] But the growth of the State began with Belaunde Terry's first administration, owing to the pullback by private investment. It was because of this that during the Velasco era the State replaced private investment, because private investment was running out, not because there was any initial desire to replace it.

[Althaus] But it was running out as a result of the development model that the State was pursuing, that is to say, the industrialization model of import substitution, which is good for only one go-around, as the economists say. You protect an industry; it imports inexpensive inputs and sells them, but since it buys nothing from the domestic market, the market has only one-time buying power, which the economy's initial start-up gives it.

[QUEHACER] You're saying that the State is to blame. But isn't a given social class also to blame? Because when all is said and done, who's running the State?

[Althaus] That's the argument about mercantilism. In other words, to what extent was this development model encouraged by a social class that wanted government protection so that it could profit from its economic activities regardless of their actual economic utility to society? That is a hard question to answer, because the fact is that the most powerful class in that era was what was called the exporting oligarchy, with interests linked to traditional exports. And yet that class, with all its power, lost the battle. What won out was not an industrial social class, shall we say, an industrial bourgeoisie that had the power to do so, but rather a nationwide consensus that existed in the 1960's. Everyone thought that development depended on protecting the domestic market from industrial imports, protecting the development of industry, conducting an agrarian reform that would open up the domestic market to that industry, and creating a powerful and interventionist enough State to assure these two goals. That consensus existed not only in Peru but throughout Latin America. What won out was an idea rather than an economic interest. Later on that idea became merely protectionism for the benefit of the wealthy.

[QUEHACER] Fredemo's "Foundations of the Government Plan," which was published in April, says that "the State facilitated a system of economic accumulation, of concentration of ownership in the hands of a few, which is at variance with the essence of democracy." How much are Popular Action and the PPC [Popular Christian Party] to blame for this?

[Althaus] In the 1960's the first AP administration pursued the development strategy of import substitution, and for that it is to blame, but it shares the blame with all the other political parties, because there was a consensus. AP merely carried out the consensus. The problem is that this model has promoted the concentration and oligopolistic structure of Peruvian industry. What is more, almost always and everywhere in the world structures are more or less oligopolistic, so that shouldn't scare anyone. In Peru's case, however, the structure stemmed not from a market economy in which an oligopoly resulted from competition with other companies, but from government protection of certain companies and activities.

[QUEHACER] But are the parties to blame?

[Althaus] Of course, to the extent that AP was in power for 10 years. During its second administration AP realized that changes had to be made, that the development model had to be changed. But it was not to be....

[Althaus] Why?

[QUEHACER] For two reasons, I think. First, because AP was not ideologically consistent enough. Second, because of the tremendous opposition from the SNI [National Association of Industries], the CGTP [General Confederation of Peruvian Workers], APRA [American Popular Revolutionary Alliance], and the left.

[QUEHACER] And what is making a consensus possible now? Alan Garcia?

[Althaus] It could be Alan Garcia, as well as the advance of free-market ideas in the world over the past decade. The depth of the crisis as well. An era has come to an end. Now then, getting back to your previous question, what also brought down the Belaunde administration's model was the El Nino Current disaster, which was a sort of low blow that caused the administration to lower all of its defenses and accept everything.

[QUEHACER] Only in part, though, because the El Nino disasters were responsible for only half of the 12 percent drop in the GDP [gross domestic product] in 1983. The other half was going to happen no matter what. Getting back to mercantilism, is this the same concept that Hernando de Soto uses?

[Althaus] Yes, with the difference that I just indicated; in other words, that the origin of the development strategy that the country has pursued was not mercantilist. If it had been, the exporters, who were more powerful, would have won out. But although mercantilism was not at its origin, the strategy wound up generating a very mercantilist system, in which businessmen made profits not on the basis of their ability to compete, their efficiency, or the preferences of consumers, but because of their ability to get a tariff, a low interest rate, a loan, etc, in a word, their ability to obtain privileges. This is the mercantilist model that we want to do away with. There is another difference. I think that the main problem lies not in mercantilism as such but in the orientation within this mercantilism, in incorporating not so much the underground economy into the official one as the peasants into the domestic market.

[QUEHACER] Don't you think that it's going too far to say that mercantilism is not capitalism?

[Althaus] It is not capitalism, properly speaking. And more than that, the type of mercantilism that we have had, the inward-looking mercantilism, simply exhausted and frustrated the development of its own domestic market. Because there is neither a market nor a proper division of labor between countryside and city. Half of our peasants, for example, live in a consumption-by-producer economy, which means that the degree of

development of the domestic market must not be much greater than it was 30 years ago.

[QUEHACER] But if it's not capitalism and if we are, as De Soto says, just on the verge of having free-market capitalism, don't you think that it's anachronistic to compare the 18th century with the present, the threshold of the 21st century? If there hasn't been capitalism here, what has there been all this time?

[Althaus] The comparison is not with an era, but with a theoretical model. Peru today is as far removed as can be imagined from a market economy, in which there is a State with given functions and in which society is in charge of production, in accordance with simple laws that apply equally to all, in which producers are successful because consumers buy their output, not because they enjoy government protection. In other words, this is not an economy run by a bureaucracy that hands out sinecures and privileges, but rather an economy that depends on the preferences of the consuming public.

[QUEHACER] That sort of economy doesn't exist. There are monopolies in the United States; there is government protection in France. Government spending is about 50 percent of the GDP in all of the OECD countries, and everywhere there are antimonopoly laws and protection of business. In other words, none of those countries have a free-market economy.

[Althaus] That's why I said that this is a theoretical model, which obviously does not exist as such anywhere in the world. So, reality is not absolute. But there are cases that are much closer to the ideal. The average tariff in the U.S. economy must be about 5 percent; it's a completely open economy. If there is some sort of monopoly in a branch, it is because it has managed to prevail over the competition in the marketplace and is an efficient monopoly. And if it's efficient, it's good for society, because it produces more efficiently, because it's more economical....

[QUEHACER] But that efficiency comes from protection, which is being heightened at the moment....

[Althaus] No. If a firm has a monopoly in a market economy, and by and large it doesn't, it's because it's efficient, because it has managed to drive the competition out of the market, not because it's protected....

[QUEHACER] But such firms do receive government support; for example, the aircraft industry or the companies that sell weapons couldn't survive without the support that they're getting.

[Althaus] Of course. They sell their output to the State, but in that case the State is a buyer, the only buyer possible; it's a natural monopsony....

[QUEHACER] But a very powerful buyer....

[Althaus] So the problem there lies with the buyer, but anyone can do the supplying. Moreover, the size of government has nothing to do with the nature of the economy, with the fact that it may or may not be a market economy. You can have a government whose spending accounts for 40 or 50 percent of the GDP but is not intervening in the economy. In fact, the two things are complementary, not contradictory. The freer an economy is, the bigger government can be. Why? Because the freer an economy is, the more companies can produce efficiently, the more taxpayers there are, and the more tax revenues can be collected to finance higher government spending.

[QUEHACER] Spurring the free-market economy would strike at the so-called mercantilist groups. Many of them are behind Fredemo, though. How can you apply such a policy if they themselves are going to be hurt? For example, the Ferreyros, the Brescias, the Nicolinis....What will be done with these specific groups?

[Althaus] What is going to happen as of 1990 is a revolution, plain and simple. Otherwise, it makes no sense at all. There has to be major change. The country needs total change. The people whom you mentioned do not belong to Fredemo, neither the Nicolinis nor the Ferreyros nor the Brescias. As far as I know, they're not affiliated with the "Liberty" Movement.

But what has happened is interesting. There has been a complete change of outlook among national businessmen. What has happened is that they have become aware of the need to alter the development model and reorient the production machine, to compete internationally, to capture markets, and to compete with imported goods. In 1980 the Belaunde administration met with tremendous resistance from business. They all banded together against the free-market policies of the time: businessmen, the CGTP, APRA, the left. An across-the-board reaction. But now those same policies are seen as the most progressive ones, not only by some sectors, including the left, but even by the businessmen themselves. Businessmen are no longer opposed to them....

[QUEHACER] But Flavio Gerbollini is opposed, and so are Romero Caro and others....

[Althaus] There are always rearguards in every movement, but what they are opposed to is the speed of the change, not the change itself. I think that everyone agrees that the economy has to be decontrolled so that a market economy is possible in the country.

[QUEHACER] So would businessmen be willing to face foreign competition? I remember the debate not long ago between the ILD [Freedom and Democracy Institute] and the IDIDEN [expansion unknown], when Flavio Gerbollini proposed a special exchange rate and protection for domestic industry, among other things....

[Althaus] Businessmen are willing to compete and to head up the industrial-reconversion process. This is what is interesting. Labor groups are the ones that are not willing to change; in my judgment, they're the most reactionary ones right now. With good reason, of course,

because they have been extremely hard hit by the crisis and are clinging to the little that they have: job security and the privileges that they currently enjoy, which afford them only starvation wages. Businessmen, in contrast, have indeed modified their outlook and are willing to change. The problem is that they're not willing to have a sudden drop in tariffs; they want gradual change. And that could be a problem....

[QUEHACER] Why should the working class take the chance that businessmen are going to invest more and reconvert the industrial machine when they haven't been doing this and when capital has been leaving the country? Job security is a right. If productivity hasn't increased, it's not because of job security but because there has been neither investment nor technological updating. It could be a chicken and egg problem. But why are the workers the reactionaries here?

[Althaus] Capital flight is another issue that has to be discussed openly in Peru. It ought to be regarded as legitimate, because it is a way of controlling a country's domestic economic policies. There is capital flight from all Latin American countries, not because Latin Americans are traitors to their respective homelands but for the simple reason that the inward-looking development strategy has failed. It reflects the exhaustion of the domestic economies. Getting your money out is a responsible business decision when you're going to lose it.

[QUEHACER] What I'm getting at here is that no one seems to be to blame. Rather, the State or a policy is said to be responsible. But aren't businessmen responsible for the policies that have been pursued? Or did the entire problem start in 1968, with the Velasco administration, with the Belaunde administration being a precursor that wanted to change things but was unable, and then came Alan Garcia, who took what Velasco did further? In that case, how accountable do you hold the industrialists? Or are they right to get their capital out because the policies are not good?

[Althaus] I agree with you there, definitely. Businessmen are partly to blame. They can't keep on thinking about the short run and say: "This isn't working, so I'll take my money out." At some point they have to speak out against the model and say: "This isn't viable. The model has to be changed, because I want to bring my money back to Peru." This is what has to happen, and it is happening. When there are stable, viable policies, when there is steady accumulation, then capital returns. This is what will guarantee to workers that the employers are going to bring back their money. It's elementary.

[QUEHACER] We don't hear industrialists saying that openly. In EXPRESO you and your people do. But the industrialists have not said explicitly that they're going to repatriate capital....

[Althaus] A little while ago the Association of Industries and several exporters unions signed an extremely interesting communique opposing the Foreign Trade Law. They said: "Enough incentives laws from an era that is drawing to a close. The development model has to change. We want to compete and export." I was certainly surprised to read that.

[QUEHACER] In the "Fredemo Foundations" it says that you will promote "the affirmation of our national identity, based on civic traditions and especially on age-old Andean traditions, on the exaltation of the law of brotherhood as a symbol of solidarity and as a declaration of human rights, and the promotion of grassroots cooperation, the involvement of the people in the tasks of development." How does this square with Vargas Llosa's talk about making Peru a European country? Is this compatible with a completely free market, with the philosophy that "we're all going to be owners?"

[Althaus] It is indeed compatible with that, for two reasons. First, because there is no solidarity without freedom (solidarity cannot be imposed), and there is no freedom without property, without economic independence (free citizens are the political counterpart of property owners). In the people's cooperative, in the "minka" a group of owners without deeds, the commune members, decide freely to build something together.

Second, because the principle of a market economy is that the law and protection are the same for all. But a domestic market is precisely what is lacking in Peru.

So then, a preparatory task for establishing a State that will discharge its normal functions in a market economy is first to develop that market, and this presupposes not only prioritizing government spending in the regions that have not been fully brought into the market but also using the tools of a precapitalist economy so that it can transcend itself and thus quicken the move towards a market economy.

Specifically, Popular Cooperation is a tool for bolstering the capacity of communal labor to make contributions, with some government aid. A grassroots, communal project can be built much less expensively and, at the same time, more quickly because the people are involved and contributing their labor, while the State is also involved by supplying technical guidance and materials. Obviously, however, in a developed society with a full-fledged market an institution like Popular Cooperation, conceived as such, would perhaps make less sense, simply because the municipality would contract the project out. So then, Popular Cooperation is useful as a transition arrangement towards a market economy. It fulfills its goal when it disappears.

[QUEHACER] You are saying that the tariff for products from the highlands ought to be a bit higher than the industrial tariff, to protect the peasant growers initially, and that little by little we would move towards a uniform tariff. Do you think that this tariff policy is the starting point for the expansion of farm production?

[Althaus] I haven't said that the tariff has to be higher. It would be a revolutionary triumph just to have it be the

same, because now there simply is no tariff. Two things are needed: the tariff and the exchange rate. We would have to have an expensive dollar that would make imports expensive and that would in itself afford protection. And then the tariff would not only protect the peasants better, which means redistributing income not at the expense of but as an aid to accumulation, but would also help create a fund to distribute foodstuffs among the disadvantaged urban sectors. The city, of course, would have somewhat lower income because it would have to pay more for its food, but we would be promoting the process of accumulation by developing a domestic market. So this is an economically efficient social redistribution of income.

[QUEHACER] But with a high exchange rate farm production may be exported instead of going to domestic consumption. We might have more dollars, more asparagus, more pork, but what guarantee is there that it will be for domestic consumption?

[Althaus] That's not the point. The important thing is for everyone to be producing and making good money from what they produce. This is what matters. Now then, it makes no difference whether it's for the domestic or foreign market. Any situation is better than the current one, when nothing is being produced, not even for the domestic market. Peruvian peasants have been on the sidelines of the national economy, stripped of any productive role, for the last 30 years. All they need is that protection so that they can have a roof over their heads and begin growing potatoes or wheat, so that they can export some of it and earn more money....

[QUEHACER] The "Fredemo Foundations" sound as if they are speaking several languages, not just one: the language of the free market, of Popular Cooperation, and of our Andean heritage. Moreover, they talk of massive employment programs in production projects, in infrastructure in extremely poor areas. The free-market language has all sorts of qualifications. It sounds as though it wants to be all things to all people, that the "Foundations" can be stretched like gum....

[Althaus] No. The "Draft Foundations" of the Government Plan are simply the result of a discussion among different points of view. It is a bit like a minimum common denominator that remained from that discussion. Obviously this is not a free-market platform, but rather a highly qualified platform, which is the only way to tackle the country's problems. Moreover, precisely because the country does not have a market economy, we must make use of the tools that will hasten it. And to this end no one is denying that the State has to undertake public works. Who's going to build the roads? In order for a market to exist there have to be roads so that goods can move within the market. This is elementary, just common sense.

[QUEHACER] Do you think that one school of thought is going to gradually become predominant in Fredemo in the months to come? Could the free-market school have more influence if you win the election and if "Liberty" gets more government posts?

[Althaus] I don't know what the makeup of the government is going to be like. That depends on Mario Vargas Llosa. If he becomes president and has to select a cabinet, I suppose that he's going to consider some AP and PPC ministers. The important thing is to have a government plan as an instrument, with bills and an investment program, by 1990. That's the point, so as not to improvise. And such a plan has to have been discussed with the various forces; that way there will be no problem with names.

[QUEHACER] The United Left program says that "the 'Liberty' Movement's joining of Fredemo shows that an extremist free-market movement has a political chance only in an alliance with the old, discredited leaders of the Peruvian right." What do you think of this remark?

[Althaus] I don't understand it, because first of all it's not an extremist free-market movement; rather, it is a much more qualified one. Second, if old right-wing leaders linked to the mercantilist system that has been in force for the past 30 years were involved, then how could the only alliances be with leaders who are anti-, not pro-free market?

[QUEHACER] What it means is that by allying itself with the old parties, "Liberty" is really abdicating its free-market philosophy.

[Althaus] Well, it is qualifying its free-market philosophy, which makes it more Peruvian, more national. We have to have a Peruvian path to capitalism.

[QUEHACER] Without copies of any kind.

[Althaus] Without copies of any kind, right. Peru has its own road. We are not a theoretical entity or model; we are a specific reality. So we have to incorporate what is Peruvian. To be viable, it has to be Peruvian; otherwise, it's not viable.

[QUEHACER] One last question. In almost all of the countries that have tried "outward-looking development," such as Chile, Taiwan, or South Korea, it is quite well known that the associated political model has been dictatorial and repressive. Do you think that it's possible to move towards the more free-market model of which we have spoken without having to pay the political price that is associated with it?

[Althaus] I think that what the dictatorships have assured in those countries is long-term stability. I attach greater importance to that aspect than to the social repression that they have engaged in to impose changes. Because ultimately what good is it for Peruvian workers to have job security, social security, who knows how many paychecks a year, all of the social benefits, etc., etc., if they're the worst paid workers in the world, earning starvation wages on which they can't feed their families. So I think that what those dictatorships provided was long-term stability. This is what we have to

achieve here in Peru, not through dictatorship but through consensus and national accord, which is the functional equivalent of dictatorship. This is what we have to achieve. And I think that we're close to such an accord.

* Economic Goals Questioned

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[Article by Javier Iguiniz: "Fredemo: Economic Power vs. Political Power"]

[Text] Fredemo [Democratic Front] is a phenomenon of political transition and compromise that has been promoted from the world of economics. In this article I am going to analyze the meaning of Fredemo from a perspective that emphasizes factors other than the usual, more often cited ones, that is to say, the ballot box, ideology, international influence, and the conflict between opposing classes. I am going to focus on an analysis of the current conflict between economic power and political power inside the ruling sectors in Peru. If this turns out to be a valid approach, it will complement others.

What I am suggesting is that Fredemo represents a political reaction by modern Peruvian businessmen against the political "bossism" in which they implicitly or explicitly trusted and which has dealt them blows ranging from the Velasco reforms to Garcia's attempts at nationalization. The latter episode forced the biggest businessmen to take to the streets to defend their key holdings, brought to mind the reforms of the Armed Forces government, and heightened fears of a United Left government. Something urgently had to be done, and the concerted reaction to reverse nationalization provided the opportunity. Vargas Llosa was present at that moment, used his personal assets to head it up, and seemingly paved the way for a new era in Peruvian politics: the era of a direct role for the major national economic conglomerates.

From this viewpoint, the goal of Fredemo as a whole is, naturally, to become the government. To its new contingents, however, both inside and outside the traditional parties, the objective is power, and to this end politics must be depersonalized, the economy depoliticized, and politics reoriented and placed in service to diversified capitalist enterprise. This is the condition that big capital is demanding in order for this enterprise to become national; in other words, to accumulate in Peru.

In a country like Peru, in which traditional authoritarianism is combined so peculiarly with discriminatory laissez-faire, political power is linked very structurally to specific individuals who can avail themselves of both to gain autonomy from economic power and threaten it permanently from government or the public square.

The relative separateness of politics and economics in Peru yields a result that is very different from what the free-market advocates would like. Therefore, businessmen are personally too exposed in a society in which the norms of political democracy and its institutions are not sufficient to hide powerful individuals and their families behind an extended and impersonal citizenship. In a society in which citizens are not equal, businessmen remain, whether they like it or not, the owners of empires, czars, bosses, clan chiefs, gamonales [local bosses who also own land and/or are wealthy], depending on their degree of financial power. Such visibility is further heightened when wealth is exhibited as a status symbol in the most typical of traditional colonial styles. The defensive element is, naturally, fundamental. They are even being attacked by the biggest right-wing advocates of the free market as "mercantilists."

Businessmen are easy prey for professional politicians; this is why they need intellectuals who support laissez-faire to turn them into impersonal components of the market order. Hernando de Soto, for example, wants to turn all Peruvians into businessmen as a condition for being free citizens. His opposition to mercantilism, which ideologically speaking divorces him from Fredemo and places him closer to the left's opposition to monopoly, is less effective than his role in depersonalizing and legitimizing the Peruvian business class as such.

The fact that Peruvian businessmen have their own agenda for the first time since the first civilian government and the express desire to gain power to pursue this agenda through and beyond the government, could help to engender a historic ambition and an activism both among businessmen and among the young people who have been held back by the old leaders of AP-PPC [Popular Action—Popular Christian Party]; it could also help to assure the domestic financing necessary both so that "Liberty" can retain the initiative within Fredemo during the campaign and so that AP and PPC will accept their assigned role with resignation.

The international dimension of the Fredemo movement is important too. The indicated objective is to apply in Peru the approaches that Reagan and Thatcher were the most aggressive proponents of on the world scene after the economic crisis of the 1970's. In a sense, Fredemo is also a transnational, internationalist, and anticommunist movement, as part of the international offensive against the welfare state that has characterized the postwar period. In this respect "Liberty" is in greater agreement with the PPC than with AP because the PPC belongs as as organization to this international movement. This dimension is also a source of funds. Its campaign will be the best financed in Peru's history.

The movement arose after it almost casually weakened Garcia, the leading and most recent representative of the line of professional politicians against whom it is leveling its weapons. On the way it will have to grow and organize itself to defeat its own allies in Fredemo and to forge solid ties with the Armed Forces after the Velasco trauma. First of all, however, and this is why the alliance

is necessary, it has to head off the left and the organized, grassroots social movement. The longer-term agenda depends largely on achieving this objective. Fredemo is the most classist political movement on the current scene.

The economic conglomerates have heeded Churchill's remark about the military in making their direct entrance into politics: Politics is too important to be left to professional politicians. Big Peruvian capital already exists and cannot rely on local bosses who are their own men. Previously, they had placed their bets on several of them, simultaneously and by turns, in the expectation that they would go about winning elections and interposing themselves between social demands and the upper reaches of the national economy to neutralize the former with the guile and instinct of their trade and thus protect the latter. But this situation has become inadequate by now. They have systematically lost their bets over the past four governments; their profits have exceeded their power, and power is fundamental in forging a long-term future.

During the most recent episode Garcia took it upon himself to show once again that big capital cannot trust politicians who are somewhat independent of the major economic power circles. If the free-market professionals, many of them from the provinces, introduced the policy 35 years ago, the stamp of that origin is an insufficient guarantee today, and another sort of relationship between economics and politics is required once and for all. Since an economy that can run without government support has not been developed over the past 25 years and since government is not reliable either, a different political class and a different relationship between economic and political power have to be developed.

We have seen the end of the oligarchical/free-market relationship between political and economic power, with the latter more or less trusting that politics would take its own course while establishing a superficial link with it based on campaign financing, personal ties, and small-time economic favors. Its structure has come to an end, because the independence of economics from the State (an independence that always and everywhere is relative and partial and that is so typical of laissez-faire capitalism) was based on the export competitiveness of the primary sector and on sustaining the State with the surpluses generated by this sector.

The justification today for trying to link up with the external market in a "nontraditional" manner is the shortage of foreign exchange, but the goal is to become independent of the domestic market and the State. Domestic-market and specialized-market capitalism has been held back largely by the lack of foreign exchange and a market; therefore, diversification and a move outward from Peru are necessary. This move to "wager on Peru" could come from big business, because it has the most investments tied up in the country and is least able to emerge unscathed.

The right has two new possibilities as this oligarchical/free-market model runs its course. One is a very doctrinaire, neo-free-market model that seeks to weaken the State and "modernize" the separation between government and the economy; the other seeks to control the State directly through businessmen, without intermediaries, possibly in an institutional alliance with the Armed Forces.

In the first case the aim, in a way, is to return to the old days of laissez-faire in Peru, an era seen as one of growth and general progress. The aim is also, however, to make it more impersonal and less oligarchic; to see to it that business conglomerates and their culture once and for all replace the estate and its culture, and to make sure that ethics, which are altogether hostile when not altogether servile, do not apply to economics and its impersonal laws. Incredibly extreme laissez-faire ideas such as "where there is social justice there are no rights" or "freedom perishes in the arms of compassion" are trying to gain entrance into the Fredemo philosophy. This unscrupulousness of many young Fredemo thinkers, which is still intellectual and forthright, could be creating a militant, extremist right such as the country has never before seen, but one that contrasts with, and perhaps arises from, the pragmatic and cunning unscrupulousness of many old politicians whom rightist youth have regarded as mediocre and hypocritical, not to mention demonstrably inefficient.

As for the second possibility, authoritarianism would have to replace the current representative system more or less completely. This is not the main option, for the time being. It would require a purge in Fredemo's own ranks. Moreover, it requires a relationship of trust with the Armed Forces, which is no easy matter given the sum total of antimilitary views that characterize the society that Vargas Llosa described so well in his novels and given the reformist experience during General Velasco's government. This option has in its favor the traditional relationship between accumulation and authoritarianism but above all, owing to proximity in time and place, the much admired experience in Chile under Pinochet. From this perspective, representative democracy places restrictions on the exercise of governmental power and makes politicians too independent of economic power.

A new political class is needed to achieve either of the objectives of change. Vargas Llosa makes possible the transition and the compromise that will gradually weaken and ultimately eliminate the old guard and allow the emergence of the new one, which has to be more ideologically sound, more uninvolved, and less humanist.

Alongside both of these options, which cut across the various components of the front, there exists, both within and outside each of them, the old politics of "bossism," which is half modern and half "provincial," which has broken halfway with the culture of the gamonales and the shyster lawyers, but which has not broken in

the slightest with mediocrity and the art of prowling around government. This politics seeks to and often does have more of a sense of nation and society than the above two kinds, but it has not been effective in creating political stability and trust among businessmen, nor has it gone beyond the narrow, discriminatory tradition of the provincial gamonal elite. This sense or sentiment of nation or society has not appropriately served either those on top or those on the bottom. This is why it is undergoing a revolution from its own class and from its own parties.

These three prospects coexist within Fredemo and will influence a potential Fredemo administration. If, in the event of victory, the "Liberty" movement and its adherents inside AP and PPC win out in forming a government, the alliance between rightist businessmen and intellectuals will grow stronger. The government program points in this direction.

The basic components of the program are immediate monetarist belt-tightening and institutional deregulation. Both stem from the same free-market view of the economy, which is the essence of "Liberty," and seek to reduce the role of government in regulating the market. The nuances that AP, PPC, or SODE [Solidarity and Democracy] have introduced within the front do not alter the essence of the course or its results.

From the perspective of this article's approach, the main outcome of the proposed institutional policies and reforms will be the concentration of capital in the hands of ever fewer owners, more precisely, in the hands of the conglomerates that sponsor and are involved mainly in "Liberty." The free-market/business alliance thus has a more solid foundation than it would appear from speeches. The application of free-market policies will concentrate capital and ownership in the same way that Reagan's policy of deregulation has in the United States. The renewed concentration of property in the hands of a few conglomerates will not come solely from the sale of state-run enterprises. The main development will be the crisis of medium-sized private capital and its transfer to different hands. With an unclear economic, political, and military horizon in the medium and long term, new private investment or foreign financing will not arrive in the amounts needed to counteract the bankruptcies and transfers of ownership.

Fredemo's promise to extend the ownership of the means of production among more Peruvians is born of ignorance or bad faith. Massive unemployment (which some intellectuals call the "painful process of adaptation") will increase the number of owners in the informal economy who are living in poverty. Its overriding aim will be to destroy organized labor, and it will foment violence. Given its aforementioned lack of confidence in politics and its inability to organize the population from within to confront Shining Path, it will go knocking on the doors of the barracks to safeguard freedom. Attila's hosts are in a Fredemo government's future.

* Fredemo Youth Viewed

90ET0046C Lima QUEHACER in Spanish Aug/Sep 89 pp 49-56

[Article by Victor Robles: "Fredemo Youth"]

[Text] To say that being young in Peru is synonymous with being committed to the left was until recently a virtual fact that even many politicians on the side opposed to change admitted. In 1989, however, the idea could well be challenged, based on the resurgence of the parties on the so-called political right.

The idea that youth equals the left reached its peak in the 1960's and 1970's. APRA's [American Popular Revolutionary Alliance] political swing towards conservatism and the Cuban Revolution were factors in this regard.

Since then most APRA youth cadres have inherited its philosophy, as the children, nieces and nephews, and grandchildren of APRA members. The PAP [Aprista Party of Peru] recruited very few young people through its own political activities. This led to overpowering gains by socialist ideas in the youth vanguard scenario: the university.

After having controlled the Federation of Peruvian Students (FEP) for decades, Aprismo fell back to a single bastion, Federico Villarreal National University, where it survived by engaging in violence against its political adversaries. In the interior of the country it lost almost complete control of the student body, even in the National University of Trujillo, which passed into the hands of socialist students.

Today we are witnessing a new phenomenon: a resurgent conservatism among youth. This time, however, it is not the Aprista faction opposed to change. We are hearing a rightist proposal that is couched in defiant language, that calls for radical changes in the structure of the inefficient State whose indifference is choking off young people's hopes of studying and working.

Young people still want to transform the status quo, and Fredemo [Democratic Front] intends to capitalize on the failure of Alan Garcia's administration in this regard.

Its candidate, Dr Mario Vargas Llosa, repeats tirelessly: "We're going to transform Peru; we're going to do away with this inept State and build another modern and efficient one."

To what extent can Fredemo's proposals sink in with young people? How have they been reacting to what the writer is saying? What do the young people who are active in the parties making up the Democratic Front think of the country?

These are some of the questions that we will try to answer in this article, which has been written amid the obstacles posed by the hustle and bustle of the campaign.

The University

The political vanguard of the country's youth is unquestionably to be found in the universities, the dynamic centers in which national realities are discussed and analyzed.

It is there too that socialist ideas have predominated because of their emphasis on change and revolution, which cuts across party lines.

Several factors have come together in recent times to bring about an interesting development: the growing presence of conservative political factions.

One major factor is the erosion of leftist student union leadership as a result of uncurbed vices in a certain segment of it, such as parochialism, intolerance, and even the outlawed recourse to violence to settle ideological or even just tactical differences.

This development can be readily seen in the high degree of absenteeism in student elections called by the radical left-wing leaderships that control those unions.

Some officers of the University Federation of San Marcos have been elected with the support of barely 20 percent of the eligible voters. In other words, around 80 percent of the San Marcos student body does not take part in union and, therefore, political activity.

A second factor, which is just as important as the first, is particularly strong in private universities and has been spurred by the economic crisis: college is becoming something for the elites. Tuition in many cases exceeds 500,000 intis a month, while entrance and registration fees are close to 2 million intis.

Under such conditions study at private universities is undoubtedly restricted to the most affluent segments of society, while young people from the lower-middle or just middle class are forced to drop out or transfer to public universities.

With an elite student population, conservative factions obviously gain a larger audience and stronger backing in universities that until recently had a heavy leftist presence, such as Martin de Porres, or Aprista presence, like Garcilaso.

A third factor is the political juncture, which is favorable to Fredemo as a result of an unpopular administration marked by its president's "leftist sounding" discourse and of the left's organizational and political crisis.

The Lower-Income Classes

The other front that Fredemo youth forces have moved into, in some cases with renewed enthusiasm, is crowded low-income neighborhoods.

The young "Liberty" Movement is obviously at a disadvantage in this work because it lacks the party staffing that AP [Popular Action] and the PPC [Popular Christian Party] do have available. Nevertheless, "Liberty" has filled this gap through the generosity of the business groups that are promoting the novelist's candidacy by undertaking an aggressive campaign of project building in disadvantaged zones.

In the Canto Grande, Canto Chico, and Huascar slums and in the upper section of San Juan de Miraflores, among other spots, it has mobilized the population to build classrooms, community centers, roads, and athletic facilities. The young people provide the labor, of course, thus drawing them closer to local residents. "Liberty" provides the building materials and the machinery from various construction companies.

Belaunde populism has a permanent presence in this sector, continuing the work that Violeta Correa began under the soup kitchens program and other food programs promoted by private groups linked to AP.

AP political leaders have also commonly been seen visiting remote shantytowns and villages in the provinces. Fernando Belaunde himself showed the way.

The new twist is that the PPC is now pursuing this path, in a bid to put its Lima-Callao stamp behind it. Gabriela Chavez, the national secretary of the party's Young Women's Group, is proud to be one of the pioneers of this effort and disclosed some interesting things to us.

"In January of this year we decided to move aggressively into the shantytowns and we thought that the best way to do it was to capitalize on the social sensitivity that we young people possess," she asserted.

"The positive results that we quickly obtained surprised me tremendously. The first place we went to was the 'Mercurio Alto' shantytown in San Martin de Porres, where we sold fresh milk and eggs at 70 percent of their price.

"The local boys soon offered to help us out and little by little took over. Today we have more than 20 youth cells in San Martin de Porres shantytowns."

As far as Gabriela, a university law student, is concerned, her political work among low-income groups "is more productive, because people are more organized and honorable. There's a big difference between them and upper-class people, whose youth are much less aware of the role that they are called upon to play in society."

"Contrary to what some think, our party's youth activists are not from the affluent classes. Some 70 percent are from middle- and lower-income districts. It is almost impossible to get upper-class youths involved in political work," she added.

The PPC presence in shantytowns is also a fact, according to Gabriela, in disadvantaged neighborhoods in San Juan de Lurigancho, San Juan de Miraflores, Villa Maria del Triunfo, Carabayllo, Ate-Vitarte, Tablada de Lurin, and in the five Callao districts.

They have been engaged in equally aggressive work in the provinces, to which youth leaders are constantly traveling.

They do recruiting work in each place they visit, organizing Youth Centers, teaching literacy and health-care courses, and supporting mothers' clubs.

The PPC's youth organization has a National Secretariat for Political Penetration for this purpose.

Youth, Divine Treasure

As the poet said, "Youth, divine treasure!" The idea that the quote expresses does not admit of political or ideological exceptions when the young uphold, in essence, the virtues of their age.

Our encounter with Fredemo youth, above and beyond ideology, suggests that among them is to be found a future generation of potentially brilliant national leaders.

But their future contribution to the building of the nation will be far-reaching only to the extent that they are able to defend and preserve their main virtue today: openness in their actions and total commitment in seeking to realize their noblest ideals.

AP members, Social Christians, socialists, free-market advocates, and communists, they have all made a political commitment, the great majority of them motivated by unquestionable social sensitivity and patriotism.

We must underscore another important fact: they flatly refuse to be conservatives and are firmly convinced that Peru requires sweeping change as soon as possible so that it can begin developing.

Most of them also think that a consensus must urgently be developed among all national political forces to overcome the tragic situation that the country is in.

Keeping this idealistic flame alive among young people and preserving this nobility is a task and a commitment for the nation's mature political class, not only to strengthen democracy in Peru but also so that Peru finally fulfills its great promise.

[Box, pp 51-52] 'We're on the Brink of Disaster'

Luis Enrique Galvez, 25, is the national youth secretary of Popular Action and an exciting new Fredemo candidate for Lima city councilman. A graduate of the Law Department at the University of Lima, he expresses in the following interview his organization's specific views on national issues.

[QUEHACER] How do AP youth view the country's current situation?

[Galvez] With great concern, but also with optimism. I think that we're on the brink of disaster, from everything that we can see: subversive violence, greater economic dependency, deeper crisis.

But I will say again that we're optimistic, because I think that these ills have solutions. The solutions, however, must be applied over the long haul, gradually. We have tried to pursue such policies in AP administrations, successfully in some cases, poorly in others, but the determination to make deep structural changes was there, and I think that Fredemo will continue this positive work from 1990 to 1995 and will correct the mistakes.

[QUEHACER] What, in your judgment, are the main problems facing young people today?

[Galvez] The most serious problems are the general ones facing the population. Young people finishing secondary school plan to continue their studies or work and build a home, but they can't do anything of the sort.

Others who have been able to complete intermediate or professional studies aren't able to either and wind up underemployed or as street vendors. Unemployment leads to social resentment among young people, and this is the seed of violence, of subversive violence or common crime.

[QUEHACER] How do you think that a hypothetical Fredemo government ought to tackle these problems?

[Galvez] The first thing that it will have to do is show that it is serious, show that it is going to take a proper path and not just toss words around.

I think that although the initial measures will be unpopular, owing to the gravity of the crisis, they will have to be offset by a real morality campaign, especially in government. In the long term I think that a development policy that spurs rural progress and makes industry independent ought to be spelled out.

[QUEHACER] Are you worried that when the time comes to govern, the free-market views of the "Liberty" Movement will prevail?

[Galvez] Although it is true that our presidential candidate, Mario Vargas Llosa, must have complete freedom to form his cabinet and that the team will include prominent members of "Liberty," I don't think that with an effective watchdog Congress, in which AP and the PPC will have a majority presence, he will be able to apply radical, extreme, or dramatic free-market measures. We would do well to remember that what Vargas Llosa criticizes Alan Garcia the most for is that he did things in government that he never even mentioned as a candidate.

[QUEHACER] What makes you, as AP youth, different from PPC and "Liberty" youth?

[Galvez] In the first place, I think that there is more common ground than disagreement, but in the final accounting we belong to different political groups, and so we have to set out our own position as AP members. Our activists have strong links with Belaunde's message, and Belaunde's message, in turn, has strong links with the

real Peru, Andean culture, nationalism, the desire for progress, a vision that goes beyond the short run.

Although we have nothing against those who belong to other social classes, AP youth are basically from the working class. I have a great deal of respect for PPC youth; they are very well-educated and are deeply involved in the study of their ideology. They have an institute, "Jose Faustino Sanchez Carrion," in which they have trained first-rate personnel, especially in law. We can perhaps criticize them for paying too much attention to the city and not having become involved with young people from the countryside or the low-income groups. We can say that "Liberty" is a very young movement that has not yet spelled out a clear-cut ideology. It includes people from the PPC, young free-market advocates...and so on.

[Box, p 53] 'No One Knows What To Do'

Gabriela Chavez, a 25-year-old native of Lima, the national secretary of Young Women, and a law student at San Martin de Porres University, is one of the PPC's new youth leaders.

Her views make one stop and think about how conservative or unconservative the philosophy of PPC youth is.

[QUEHACER] How do you view the current situation facing the country and young people in particular?

[Chavez] There are serious problems, such as subversive violence, the increasingly grave economic crisis, and the irresponsibility of APRA [American Popular Revolutionary Alliance] political leaders, for example, who have governed in accordance with their own, not the country's interests. Moreover, the poor judgment of congressmen in representing those who elected them is regrettable. I think that in this context Peruvian youth suffer from serious frustrations about what the previous generation, whose free political development was thwarted by the military government, could have bequeathed them.

They also have to rebuild certain institutions, such as the universities. On the other hand, I also think that in spite of all this young people are politically mature; young people are responding to the Social Christian call; there is a greater awareness that the country has difficulties that have to be resolved through our own efforts, not by traveling with daddy to Miami but by doing serious work in our country's most depressed sectors.

[QUEHACER] What do you think are the main problems besetting our young people?

[Chavez] The loss of a horizon is the main one, because no one knows what to do. The economic crisis prevents us from getting into a university, buying books, or engaging in activities that we would like to, such as ongoing work among low-income sectors. We can't do it, because it entails a price that we can't pay. Another problem is the loss of values, which prompts our young people to mistakenly seek refuge from their frustrations in drugs, alcohol, violence, and crime.

[QUEHACER] What do you think the next government ought to do to tackle the grave current situation?

[Chavez] I don't think that the country's problems are going to be resolved in just 5 years, and that the next government, whether it's Fredemo or IU [United Left], will have to turn to the finest specialists and professionals from all the parties in order to govern. I think that the answer is for all sectors to work out a development program for 20 years or so, one that the government that succeeds the next one will have to honor, no matter what its political leaning.

[QUEHACER] What makes you different from AP or "Liberty" youth?

[Chavez] Well, as far as AP youth are concerned, the name says it all: they are populists and don't have a philosophy underlying their political activity. They act as a function of people or situations. So what happens 10 years down the road, when the people and the situations are different?

As for "Liberty," I think that it's a very young movement; much of it is a mood and a negative reaction. "They took away our banks!" they say. But before reacting this way, did they consider that the natural right to private property was involved, that people have a right to choose, and that the State can't control everything? We hope that they mature philosophically and spell out their ideology on the issues.

[Box, p 54] 'Fredemo in the Universities'

The political map of Peruvian universities reveals a clear comeback in recent years by the groups that make up Fredemo.

For the past 3 years the Federation of Students of Catholic University (FEPUC) has been controlled by students from the Fredemo coalition. Its current president, Jose Cabello, belongs to Popular Action.

It is the PPC, however, that has made the biggest inroads among university students. The head of its National University Command, 24-year-old Alex Kouri, a candidate for Lima councilman, says that we cannot speak of a PPC presence on university campuses. "We're against that. We can, however, speak of the presence of a Social Christian faction," he contends.

This presence has the full support of the PPC national leadership, whose University Command travels constantly to universities throughout the country, with promising results.

At the University of Tumbes, for example, they have a strong presence in the student federation and in the student center. The same goes for the National University of Piura, where they control all of the department centers except one.

At San Luis Gonzaga University in Ica, a stronghold of Jorge del Prado's Communist Party, this year they won the student elections in the departments of management, agronomy, and nursing, and at San Agustin University in Arequipa they won in law, medicine, and management.

At San Martin de Porres University in Lima, APRA had to make way for them in the departments of law and psychology, while the left had to do likewise in the departments of journalism and economics. At the University of the Pacific they are in the majority in the Student Center (CEUP).

AP youth, in contrast, have not made major gains in universities, and their few accomplishments are the result of personal efforts. The party has not even bothered to reorganize the now inactive National University Command, which is currently without a head.

Owing to the lack of guidance in this area, AP university students are proceeding anarchically and often even compete at the polls with their own fellow party members.

University Popular Action (APU) officially exists, but AP students have formed another group as well, the Movement of Independent Students (Mopei).

There are properly organized commands in just three universities: San Martin, Garcilaso, and San Marcos. In the latter they are active in study or research circles in the departments of law ("Javier Perez de Cuellar"), engineering, humanities, medicine, and veterinary medicine. Their level of organization does not yet allow them to run in elections.

In the law department at San Martin they are the number two force behind the PPC, although they are split between Mopei and the Victor Andres Belaunde Studies Circle. They have groups in accounting, management, industrial engineering, and systems engineering at the same university.

At Garcilaso de la Vega AP youth have a student delegate in the law department and commands that act as independents in accounting and education.

The little that we were able to learn about the political presence of the "Liberty" Movement in universities is that it has a National Secretariat in charge of that front and an arm whose name smacks more of falangism than the free market: "Order, Liberty, and Study."

It is known to have a weak presence on campuses, especially private ones (Ricardo Palma University in particular) and to be planning to run in elections under its own name to differentiate it from its Fredemo allies.

[Box, pp 55-56] At Liberty To Veto?

To paraphrase Madame Roland on her way to the scaffold, we ask ourselves: Liberty, what censorship is committed in thy name!

The remark is prompted by the odyssey that we had to undertake to interview the national youth secretary of "Liberty," Felipe Leno. Truth to tell, we found him, but we might as well not have.

And we have not used the word odyssey in jest. Our first contact with the movement that Dr Vargas Llosa heads was impressive, because we had to pass through a daunting security force.

Guards armed with high-caliber handguns, sawed-off shotguns, and bullet-proof vests, some in uniform, were stationed on rooftops and at the entrance, while others in plain clothes were walking not very discreetly in a group along adjacent streets.

First we had to show documents ("Newsmen forbidden to enter without special authorization") and then raise our arms for the required check with a weapons detector.

Felipe Leno, an almost blond 23-year-old with a carefree look about him, does not fit the stereotype of the political intellectual. He was attentive but could not hide his concern in the wake of his recent resignation from his post; we do not know whether the resignation is final, since this is a country of all too retractable resignations.

Some 10 youngsters were there, chanting his name timidly, to greet him when he arrived at his office. Felipe smiled weakly, shook hands, and reciprocated embraces. At that point we thought that we would finally get to interview him, but we were wrong.

Something strange happened minutes before he arrived. In light of our haste to complete our story, an aide from the press office located another young leader, who said his name was Jessi, just Jessi.

The boy promptly walked up to us, introduced himself, and said: "I can speak to you. I'm a university leader, but...just wait a minute; I'm going to ask my national secretary for permission."

Miguel Cruchaga Belaunde was indeed just a few steps away from us, engaged in a pleasant chat. Jessi approached him, and we clearly heard three words: "Enrique Bernales...socialist."

The boy was back in a minute and, half confused and half upset about the lost opportunity, said to us: "He says that your magazine isn't on our side, and for that reason I can't say anything to you."

We would like to think that Dr Cruchaga made his "suggestion" because Jessi was perhaps not prepared to be interviewed by a serious magazine like ours. Later, however, came our experience with Felipe.

As we were set to approach him, the woman who heads the press office, about whose kindness we have no complaints, beat us to him. She gave him a hug and, as discreetly as she could, took him aside and whispered something to him.

When we buttonholed him, he apologized and said he would be unable to receive us because he had to attend "an urgent meeting right now," adding that we could talk the following day. We agreed that we would meet in the morning at Catholic University, where he studies law. We never saw him again.

We vainly tried to interview another young member of "Liberty." "I can't speak to you; the only ones authorized to do so are the leaders," was how they all replied.

"Liberty" has a debt to QUEHACER readers. In any event, the interview with Jaime de Althaus, which appears elsewhere in this article, gives us an idea of how the youths who espouse the Fredemo laissez-faire philosophy think.

* New Right Discussed

90ET0046D Lima QUEHACER in Spanish Aug/Sep 89 pp 58-61

[Article by Sinesio Lopez J.: "The New Right: Rebuilding or Destroying Peru?"]

[Text] 28 July 1985. The stern, tired, and aged face of Fernando Belaunde graphically symbolized the defeated, confused and exhausted right that had been ousted from the Government Palace. August 1989. The smiling, jovial, and haughty face of Mario Vargas Llosa announced the triumphant return of a rebuilt, united, and renovated right that is on the offensive. What happened in the interim to allow for such a radical change of faces, attitudes, and political conditions?

An eventful, dramatic, and traumatic history is unquestionably involved, but now is not the time to recount it. We will merely point out a few isolated factors that represent signposts of a sort along the road that the economic and political right, both old and new, is taking back from defeat to glory.

In the first place, the failure of APRA [American Popular Revolutionary Alliance] and Alan Garcia and, along with this, the crumbling of populist language and proposals, which have been unable to function in the midst of a brutal crisis. Second, the mess and the crisis that United Left has gotten itself into, rendering it incapable of coming up with alternative language and an alternative agenda to those of declining populism and rising, modern conservatism and, of course, to those of Shining Path's Pol Pot philosophy. Third, the terrorism of Shining Path and the MRTA [Tupac Amaru Revolutionary Movement], which has created a conservative cultural and political climate in which people are seeking law and order, tranquillity, peace, and security. Fourth, the bursting onto the political scene of a neoliberal intellectual and technocratic circle that has succeeded in unifying the economic and political right and putting a modernizing mask on it. And finally, the overall crisis that has worn out the old patterns of accumulation, torn society apart, and brought back the old-style politics, setting them at odds with the previous processes of capitalist modernization, social democratization, and political institutionalization.

Death to the State! Long Live the Market!

The new right's intellectuals have managed to put together a comprehensive vision of Peru and its crisis, based on which they are offering their agenda and their proposals. This in itself is an accomplishment in a country whose crisis has even extended to overviews of Peru and to political agendas.

Peru is a poorly structured country in crisis, owing to the suffocating interference of an all-powerful government in the economy and society. The cause of all of Peru's ills is excessive government and its defenders: the communists, the populists and neopopulists, the labor leaders, the mercantilists, and the independently wealthy businessmen. They must all be combated without mercy if we want to build democratic capitalism.

The State has organized a mercantilist economy, created a series of independently wealthy and bureaucratic social classes in its own image and likeness, and prevented the development of democratic capitalism. The economy and society of the mercantilist State are not governed by the marketplace but by politics. Luckily for the country, the underground economy and businessmen who are not independently wealthy have arisen outside and often in opposition to the mercantilist and statist order, and they are the main forces behind the restructuring and modernization of the country.

This view of the country is simplistic. It is based on ideology, not on the most important contributions of Peruvian social sciences in recent decades. In this regard, the intellectuals of the right are more ideologues than rigorous analysts, more prophets than social scientists, more advertising men than researchers. The content of their view of Peru is not as good as its packaging. Its stirring simplicity enables it to be readily publicized through the mass media.

Modernization and Decontrol

The intellectuals of the new right intend to rebuild Peru from the ground up. The hub of this radical restructuring is not government or politics but the market. The country has to move away from its current mercantilism towards democratic, people's capitalism through a market-based modernization.

Forgetting that capitalism, whatever its stage of development, usurps the initiatives and expropriates the property of the masses and turns them into dependent wage-earners, the intellectuals of the new right are offering to turn Peru from a country of have-nots into a country of property owners. How? The answer is simple: by privatizing state-run enterprises and parceling out the cooperatives. How many shares or hectares would go to each of us Peruvians living in this little paradise of property owners? What modern businessmen! They do

not have the blood of Schumpeter in their veins, are unable to start their own companies, and thus need to take over the government's.

As the hub of the social restructuring, the market governs the activities of individuals, assigns resources equitably, and deals with the various conflicts of interest. But its virtues do not stop with the economy; they go farther, into the realm of politics. Freedom and democracy are born miraculously, like little wild plants, from the structures of property and the marketplace. They expand in direct proportion to the market and in inverse proportion to the State.

This idyllic view of the market ignores the monopolistic nature of present-day capitalism, which through monopolies, oligopolies, and transnationals prevents perfect competition. Moreover, what sort of free man is this who, as Hinkelammert says, blindly obeys the laws of the marketplace?

The conservative strategy for modernization is to unburden foreign trade and the domestic market of all of the institutional obstacles that stand in the way of their development. The ideologues and technocrats of the new right propose an orthodox or macroeconomic austerity program and another "institutional austerity or microeconomic" one. The microeconomic program calls for a tariff policy that will eliminate the overprotection of business and open the door to competition from the world market; a realistic monetary policy based on a realistic exchange rate and on strict control of the printing press; and a fiscal policy that will drastically cut government spending. So far nothing new. The free-market list of prescriptions is all too well known. The new twist is perhaps the so-called institutional or microeconomic austerity program, which seeks to save business and society the heavy cost of operating legally. This will be achieved by lowering labor costs through a reform of labor laws, cutting taxes via tax reform, and trimming bureaucratic costs through deregulation and less red tape.

The institutional austerity program actually means doing away with job security and the workers' social rights, cutting back government social spending to meet the people's most deeply felt social needs, institutional simplification, and massive layoffs in the bureaucracy.

Since the conservative modernization creates more problems than it solves, we can legitimately ask whether the new right intends to rebuild or destroy Peru.

A Small, Inexpensive, and Uninvolved State

What does the new right intend to do with the supposedly oversized State? The answer is simple and direct: shrink it. It must be turned into a small, inexpensive, uninvolved State by simplifying the tangle of laws, firing bureaucrats, and significantly reducing its involvement in civilian society and the economy.

The State's basic function is to safeguard the tranquillity of the citizenry and law and order: a police State. Under current circumstances its task is to focus its energies on combating and doing away with terrorism. This is how to resolve the institutional crisis and the "State's lack of social currency" (Enrique Ghersi, EXPRESO, 21 May 1989).

And what is to be done with state-run enterprises? That is another easy matter: Liquidate the inefficient ones and sell off the profitable ones. How generous these boys are with State assets!

The free-market catechism lists seven magic wands for privatizing public enterprises (EXPRESO, 21 May 1989):

1. Simple privatization: the shares are auctioned off publicly.
2. Auctioning of specific blocks: a certain percentage is sold to the workers and another is placed on the securities market.
3. Indirect privatization: parts of the company are privatized (services and activities), while maintaining its structure.
4. Privatization by sealed bid.
5. Regional privatizations: regional breakup of nationwide enterprises.
6. Grassroots privatization: sale of stock to many, scattered shareholders.
7. Privatization through intermediaries: transfer to regional or municipal governments so that they, in turn, can convey ownership to society.

The proposal to dismantle the State demands that we challenge the new right's diagnosis: Is government really too big? Too big in proportion to what development process? Can we speak of an oversized State when private investment had previously been withdrawing? What legal and moral right do they have to buy profitable state-run enterprises today when they were unable to set up their own in the past? Rather than privatize public enterprises, they ought to be streamlined, democratized, and made more efficient.

The Modernizers and Their Contradictions

The new right's language is fundamentally ideological and, because it is free-market, has an antigovernment and antipolitical accent. Part of its charm probably lies in its naive simplicity and consciously anarchical spirit, especially if we bear in mind the resounding failure of populist proposals and the current crisis of Latin American governments.

The problems arise when the new right's language makes the leap from ideology to politics. At that point it has to confront not only the traditional populisms beset by crisis, the neopopulism of the traditional left, the conventional labor movement's radical emphasis on economics, and the social movements, but also the social and political forces to which its language seeks to appeal.

Bitter enemies are living side by side within the "Liberty" Movement, which today is dominated by independently wealthy, monopolistic businessmen, whom the neoliberals are pillorying. Can businessmen who are overprotected by the State possibly support the sort of language and agenda that threaten to take away their gold mine?

Fredemo [Democratic Front] itself is no stranger to the ideological and political conflicts that the new right's proposal has prompted. In order to make possible the rightist forces' government program and broad unity, the new right has had to soften its most unwelcome free-market facets and pervert its own language, thus detracting from its allure and ideological strength. The new right's intellectuals and technocrats have had to sacrifice the strength of their neoliberal ideology on the altar of right-wing unity and turn pragmatic. They have had to accept the tenets of the business world and of the political parties most closely tied to that world, which are demanding that the benefits of the interventionist State be retained (subsidies for their companies) and are rejecting the sacrifices (controls).

These multiple internal contradictions among the forces that make up Fredemo put the very agenda of the conservative modernization of Peru in jeopardy. Its viability and implementation require other power relationships and additional social backing.

A Long-Standing Debate

The strength of the new right's arguments lies, on the one hand, in the partial successes that they can point to and, on the other, in their simplicity and internal consistency. The new right is on the offensive today with its arguments, as the populist and neopopulist arguments crumble and the arguments of democratic socialism merely ramble. The offensive is growing stronger as the populist States of Latin America and the social States[1] of the advanced countries are gripped by crisis, while some Third World countries (Korea, Taiwan, and others) move into the category of developed nations through conservative modernization, and other underdeveloped countries (Chile, Bolivia) begin to succeed in spite of their high social costs.

In the face of the crisis of the welfare States and the populist States that emerged in the 1930's, the pendulum of history has swung towards laissez-faire. How long will this free-market cycle last before the pendulum of history once again swings towards the State? Will democratic socialism be able to overcome the tension between government and the market that has beset modern society since its origin? Will democratic socialism be able, through self-management and self-government, to end the long-standing debate between Hobbes and Locke and salvage the positive features of its proposals?

Footnote

1. Also called welfare States; they arose after the crisis of the capitalist State in the second and third decades of this century and acquired more specific economic and political features after J. M. Keynes.

Uruguay

Government Declaration on U.S. Military Action

PY2012234989 Montevideo Radio Carve in Spanish 2300 GMT 20 Dec 89

[Text] Herewith is the declaration of the Uruguayan Government on the current situation in Panama:

In view of the grave events taking place in Panama, the Government of Uruguay expresses its deep concern over the acts of violence with loss of lives that are developing in that country, and it reiterates its unshakable support for the principle of nonintervention, which is the fundamental mainstay of inter-American relations and our guarantee of peace and security within the continent.

Any just and lasting solution to the Panamanian situation must emerge from the Panamanian people's right of free determination without foreign interference and with full respect for the will of those people. This right has been rudely denied by the regime of General Manuel Antonio Noriega. To this effect, the government of Uruguay, in rejecting the military measures adopted by the U.S. government, points out that the search for the much-desired reestablishment of democracy in Panama must be accomplished through strict compliance with the principle of abstention from the threat or the use of force in international relations, and with due respect for the human rights and freedoms of the Panamanian people, which today have been coarsely trampled.

Uruguay has actively participated in the efforts toward the restoration of peace and democracy in the region. We trust that the parties involved will adjust their conduct to the principles previously mentioned, and we express our willingness to render the broadest cooperation in all efforts that may contribute to the reestablishment of peace within the framework of international laws, including strict compliance with the Torrijos-Carter treaties.

Montevideo, 20 December 1989.

That is the text of the declaration of the Uruguayan Government on the current situation in Panama.

Venezuela

Perez Interviewed; Rejects U.S. Action in Panama

PA2112025389 Caracas Venezolana de Television Canal 8 in Spanish 0007 GMT 21 Dec 89

[Text] Venezuelan President Carlos Andres Perez today strongly rejected and condemned the action of the invading forces. He said that, as a Latin American and Venezuelan president, he rejects any justification for

intervention—even if it supports Panamanian sovereignty and opposes General Noriega.

[Begin Perez recording] At this time in the 20th century, we cannot accept the repetition of events we thought had been discarded in relations between Latin American countries. We must admit, however, that the existence of a treacherous dictatorship in Panama also offends our countries. We lacked the necessary power and firmness to act in accordance with the collective mechanisms common to all of our countries. We lacked the necessary determination to create a collective situation to force the Panamanian de facto government to change its stance and permit the free exercise of the people's sovereignty. This way, the Panamanian president-elect could have been sworn in. We regret that the traditional nonintervention principle, established at a time when supranational organizations and the accords binding us to respect human rights and the people's will did not yet exist, has led us to somehow encourage intervention.

For this reason, and in view of the report given to me by President Guillermo Endara over the telephone saying he had been sworn in in the presence of a judge, I told him Venezuela is ready to recognize his genuine and democratic government as soon as the U.S. invasion of Panama stops.

At the same time, with our will and friendly Latin American solidarity, we encourage the Panama Defense Forces, already free from the nefarious influence of a leader who did not deserve to be respected by his Armed Forces, to assume military leadership in Panama once again so the intervention can stop and the government headed by Endara can be respected and supported. [end recording]

Endara To Be Recognized

PA2012181489 Paris AFP in Spanish 1520 GMT 20 Dec 89

[Text] Caracas, 20 Dec (AFP)—The Venezuelan Government today condemned the invasion of Panama by U.S. troops. However, it announced that Venezuela will recognize new President Guillermo Endara when the invading forces withdraw.

In a communique issued by President Carlos Andres Perez's office, he says that "he deplores the ill-fated news of the intervention by U.S. Armed Forces in Panama to overthrow dictator General Manuel Noriega."

Venezuela "condemns and rejects" this intervention, because it "revives an era that we all believed had been overcome in inter- American relations."

However, it equally rejects "the intolerable situation created by the aspirations of the Panamanian de facto ruler of establishing a new dictatorship in Latin America." Besides, it admits "the lack of an effective and firm reply by our countries in facing the flagrant violation of human rights and constitutional norms by the Panamanian dictator."

On learning that the government led by Endara, which won the 7 May elections, has assumed the Presidency, "Venezuela is waiting for the withdrawal of the U.S. invasion forces to recognize the Endara government."

Finally, Venezuela proposes the immediate convocation of the OAS consultative body to help the new Panamanian Government, and to ensure compliance to the Torrijos-Carter treaties for turning over the canal to Panama.